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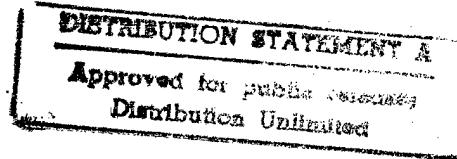
12 April 1984

# USSR Report

## INTERNATIONAL ECONOMIC RELATIONS

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12 April 1984

**USSR REPORT  
INTERNATIONAL ECONOMIC RELATIONS**

**CONTENTS**

**USSR-CEMA TRADE**

Reports of Party, Government Leaders Following 37th CEMA Session (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 12, Dec 83).....	1
Index of EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV for 1983 (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 12, Dec 83).....	8
Biography of CEMA Secretary V. V. Sychev Presented (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 12, Dec 83).....	19
CEMA Plans for Cooperation in Construction Detailed (Edward Waszak; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 12, Dec 83).....	20
Development of General Conditions for CEMA Trade Summarized (Dieter Kretschmar; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 12, Dec 83).....	25
Legal Basis for CEMA Scientific, Technical Cooperation Detailed (Mark Boguslavskiy; EKONOMICHESKIYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 12, Dec 83).....	29
Transferable Rouble Praised as Aid to CEMA Economic Development (Yuri Konstantinov Interview; MOSCOW NEWS, No 4, 5-12 Feb 84).....	36

Problems With Commodity, Monetary Controls in Promoting CEMA Integration (Yu. Shiryayev; PLANOVYE KHOZYAYSTVO, No 3, Mar 84).....	42
--	----

**Briefs**

Mongolian Industrial Facilities	51
Cuban Industrial Facilities	51
SRV Industrial Development	51
SRV-USSR Commodity Turnover	52
SRV Trade With Bulgaria, CSSR	52
Soviet-Bulgarian Production Cooperation	52
Bulgarian Equipment Exports	52
Hungarian-Soviet Motor Vehicle Contract	53
Hungarian Industry Saves Materials	53
Advanced Cement Production Method	53
CSSR Equipment Exports	53
Mongolian Lumber Industry	54
Participation in Leipzig Fair	54
Uzbek Cotton-Growers in Vietnam	54
CEMA Aid to LDC's	55

**TRADE WITH INDUSTRIALIZED COUNTRIES**

Legal Aspects of Finnish Cooperation With USSR, CEMA Countries Detailed (Ye. Aniyants; KHOZYAYSTVO I PRAVO, No 10, Oct 83).	56
---	----

**Briefs**

Soviet Gas to Finland	61
-----------------------	----

**TRADE WITH LDC'S**

CEMA, Middle East Scientific, Technical Cooperation Examined (O. Yu. Makarova; VESTNIK MOSKOVSKOGO UNIVERSITETA, SERIYA 6: EKONOMIKA, No 6, Nov-Dec 83).....	62
---	----

USSR-CEMA TRADE

REPORTS OF PARTY, GOVERNMENT LEADERS FOLLOWING 37TH CEMA SESSION

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) pp 2-5

[Article: "Reports on the Examination by the Leading Party and State Organs of the CEMA Member Countries of the Reports of the Delegations of the CEMA Member Countries on the Results of the 37th Meeting of the CEMA Session"]

[Text] In the Central Committee of the Bulgarian Communist Party and the Bulgarian Council of Ministers (RABOTNICHESKO DELO, 4 November 1983)

The Politburo of the Central Committee of the Bulgarian Communist Party and the Council of Ministers discussed the report of the delegation of the Bulgarian People's Republic headed by Member of the Politburo of the Central Committee of the Bulgarian Communist Party and Chairman of the Council of Ministers Grisha Filipov on the results of the work of the 37th meeting of the Session of the Council for Mutual Economic Assistance, which was held on 18-20 October 1983 in Berlin.

The Politburo of the Central Committee of the Bulgarian Communist Party and the Council of Ministers believe that the adopted decisions are of great importance for the further intensification of production and the acceleration of scientific and technical progress, for the increase of the role of cooperation in the progressive socioeconomic development of the CEMA countries, for the effective solution of the fuel and raw material problem and the substantial increase of the level of the material and technical base of agriculture, for the increase of the production of foodstuffs and the increase of the standard of living of the peoples of the socialist community.

The Politburo of the Central Committee of the Bulgarian Communist Party and the Council of Ministers express a high opinion of the Declaration, which was adopted by the leaders of the governments of the CEMA member countries and condemns the deployment in Western Europe of new American medium-range nuclear missiles, and fully support the resolve, which was expressed by them during the work of the session, to strive for the halt of the policy, which is being pursued by the United States in union with the most reactionary representatives of the other NATO member countries, of unleashing a nuclear arms race and increasing the danger of thermonuclear war. This Declaration once again confirms the will and resolve of the CEMA member countries together with the governments of all the states of Europe and the world to take the necessary

steps for the preservation and strengthening of peace and security throughout the world and cooperation among peoples.

The Politburo of the Central Committee of the Bulgarian Communist Party and the Council of Ministers stressed the importance of the work done during the session on the completion of the preparation of the economic summit conference of the CEMA member countries and expressed the firm conviction that it will play an active role in the matter of the efficient development of the economies of the countries, the intensification of socialist economic integration and the further strengthening of the unity and solidarity of the socialist community.

The Politburo of the Central Committee of the Bulgarian Communist Party and the Council of Ministers approved of the activity of the Bulgarian delegation at the 37th meeting of the CEMA Session and commissioned competent state and economic organs to take the necessary steps for the fulfillment of the obligations of Bulgaria, which follow from the decisions and recommendations of the session.

On the Meeting of the Hungarian Council of Ministers (NEPSABADSAG, 28 October 1983)

On 27 October 1983 at a meeting of the Hungarian Council of Ministers Premier of the Council of Ministers G. Lazar informed the government about the 37th meeting of the Session of the Council for Mutual Economic Assistance. The Council of Ministers took cognizance of the information and commissioned competent organs to take the necessary steps for the fulfillment of the outlined recommendations.

The Politburo of the Communist Party of Vietnam and the SRV Council of Ministers Have Examined the Results of the 37th Meeting of the CEMA Session and Have Approved of the Activity of the SRV Delegation (NYAN ZAN, 10 November 1983)

On 8 November 1983 the Politburo of the Central Committee of the Communist Party of Vietnam and the SRV Council of Ministers heard the report of Member of the Politburo of the Central Committee of the Communist Party of Vietnam and Vice Chairman of the SRV Council of Ministers Comrade To Huu and Vice Chairman of the SRV Council of Ministers and SRV Permanent Representative to CEMA Comrade Tran Quynh on the results of the 37th meeting of the CEMA Session, which was held in the capital of the GDR, Berlin, from 18 to 20 October 1983.

The Politburo of the Central Committee of the Communist Party of Vietnam and the SRV Council of Ministers unanimously expressed a high opinion of the great gains, which were achieved by the CEMA member countries during the period between the 36th and 37th meetings of the Session of the Council for Mutual Economic Assistance, and noted that the CEMA member countries are successfully carrying out the changeover of the economies to the path of intensive development, are increasing production in the basic sectors of the national economy, are expediting the development and introduction of scientific and technical progress, are creating the conditions for the increase of production, the increase of the technical level and quality of products and are accomplishing the current key tasks of the national economy of the CEMA member countries.

The Politburo of the Central Committee of the Communist Party of Vietnam and the SRV Council of Ministers gave a unanimous assessment of the present international situation, which is becoming more and more tense as a result of the aggressive policy of the United States and its allies, which are furiously escalating the arms race and are deploying nuclear missiles in Europe, striving to achieve military superiority and to upset the existing military strategic balance and creating a more and more serious threat to peace in the region and throughout the world. The SRV rates highly and fervently supports the important peace initiatives of the Soviet Union, which were advanced by General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet Yu. V. Andropov in recent times, and the Declaration of the heads of the governments of the CEMA member countries.

The Politburo of the Central Committee of the Communist Party of Vietnam and the SRV Council of Ministers unanimously approved of the basic directions of the broadening of cooperation and the steps on the efficient and economical use of fuel, energy and raw material resources, including secondary resources, as well as the comprehensive measures on cooperation for the improvement of the supply of the population of the CEMA member countries with foodstuffs, which were adopted at the 37th meeting of the CEMA Session. The Council of Ministers instructed the ministries and departments to study the decisions of the 37th meeting of the CEMA Session and the measures on cooperation, which were adopted at the meeting of the session, for the purpose of their implementation.

The Politburo of the Central Committee of the Communist Party of Vietnam and the SRV Council of Ministers approved of the activity of the SRV delegation, which took part in the work of the 37th meeting and contributed to its successful conducting.

The Declaration of the Politburo of the SED Central Committee and the GDR Council of Ministers (NEUES DEUTSCHLAND, 27 October 1983)

The Politburo of the SED Central Committee and the GDR Council of Ministers heard the report on the 37th CEMA Session, which was held from 18 to 20 October in Berlin. They approved of the activity of the GDR delegation headed by Member of the Politburo of the SED Central Committee and Chairman of the GDR Council of Ministers W. Stoph. The 37th CEMA Session was an important contribution to the intensification of socialist economic integration and the strengthening of the unity and solidarity of the socialist community.

The Politburo and the Council of Ministers stressed the importance of the assumption, which was expressed by General Secretary of the SED Central Committee and Chairman of the Council of State E. Honecker during the friendly meeting with the leaders of the delegations, the secretaries of the Central Committees of the fraternal parties and the permanent representatives of the countries to CEMA, that it is a question first of all of increasing the efficiency of cooperation in CEMA on the basis of a uniform economic strategy and a coordinated economic policy.

The decisions adopted by the 37th CEMA Session on the further intensification and the increase of the efficiency of cooperation in science and technology,

on the economical and efficient use of energy, fuel, raw materials and secondary raw materials, as well as on the increase of the production of foodstuffs will promote the all-round intensification of social production and the acceleration of scientific and technical progress for the good of the peoples of the CEMA member countries. The Politburo of the SED Central Committee commissioned the Council of Ministers to outline the necessary steps for the implementation of these decisions.

The GDR will purposefully continue the systematic interconnection of the national economy of the republic with the national economy of the USSR and the other CEMA member countries and will make an active contribution to the all-round strengthening of the socialist community.

Being an integral component of the community of socialist states and being located on the boundary line between socialism and capitalism in Europe, the GDR will do everything for the accomplishment of the most vital task of mankind--the elimination of the threat of war.

In the Central Committee of the Mongolian People's Revolutionary Party and the Council of Ministers of the Mongolian People's Republic (UNEN, 1 November 1983)

Having heard the report of the head of the delegation of the Mongolian People's Republic [MPR], Member of the Politburo of the Central Committee of the Mongolian People's Revolutionary Party [MPRP] and Chairman of the MPR Council of Ministers Comrade J. Batmonh on the results of the participation in the 37th meeting of the CEMA Session, which was held on 18-20 October 1983 in Berlin, the MPRP Central Committee and the MPR Council of Ministers rate highly the results of the work of the 37th meeting of the session and note that the CEMA member countries, by consistently implementing the decisions of the last congresses of the Communist and Workers' Parties, have made great gains in the strengthening of the economic, scientific and technical potential, the fulfillment of the plan assignments of the current five-year plan and the increase of the material well-being of their peoples.

The countries of the socialist community are successfully implementing the creative plans under difficult international conditions. Their consistent struggle for peace and for the development of the peaceful cooperation of states on an equal and just basis and the coordinated actions of the fraternal countries on the international arena are being opposed to the adventurism and aggressive ambitions of the administration of the United States and its closest NATO partners, which are striving to undermine the strategic parity, which has been established in the world, and to achieve military superiority, are carrying out intensive preparation for the deployment of new medium-range nuclear missiles in Western Europe and are resorting to direct provocative actions, commercial and economic discriminations and sanctions against the socialist community and the progressive forces of the world. In this connection the MPRP Central Committee and the MPR Council of Ministers note the topicality and timeliness of the Declaration of the heads of the governments of the CEMA member countries, which was adopted during the CEMA Session.

The MPRP Central Committee and the MPR Council of Ministers fervently endorse the numerous peace initiatives and proposals of the Soviet Union, which are aimed at the prevention of the nuclear threat and the preservation and strengthening of universal peace. The statement of General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet Yu. V. Andropov of 28 September of this year again convincingly showed the world public that the homeland of October is consistently pursuing with full resolve the Leninist policy of peace, which conforms to the vital interests and hopes of all peoples.

The MPRP Central Committee and the MPR Council of Ministers attach particular importance to the consistent implementation of the steps, which were outlined at the 37th meeting of the CEMA Session, in the area of the broadening of mutual cooperation on the economic and efficient use of fuel, energy and raw material resources and the improvement of the supply of the population with food-stuffs, as well as on the further concentration of the efforts of the countries on the solution of the priority scientific and technical problems.

They note with gratification that the decision adopted by the session of the council on the extension by the CEMA member countries of scientific, technical, production, economic and trade ties with the SRV, the Republic of Cuba and the MPR will promote the rapid development and the increase of the efficiency of the economy of these countries.

The meeting of the session of the council once again confirmed the aspiration of the fraternal countries henceforth to steadily develop and intensify economic, scientific and technical cooperation and to strengthen the unity and solidarity of the socialist community.

The MPRP Central Committee and the MPR Council of Ministers rate highly the work performed during the session of the council on the conclusion of the preparation for the economic summit conference and believe that the conference will be a new important stage in the acceleration of the progressive development of the economy of the CEMA member countries and the intensification of socialist economic integration.

By a decree the MPRP Central Committee and the MPR Council of Ministers approved of the activity of the MPR delegation at the 37th meeting of the CEMA Session under the leadership of Member of the Politburo of the MPRP Central Committee and Chairman of the MPR Council of Ministers J. Batmonh and commissioned the appropriate ministries and departments to take steps on the implementation of the decisions of the session.

From the Report on the Meeting of the Political Executive Committee of the Central Committee of the Romanian Communist Party (SCINTEIA, 2 November 1983)

On 1 November 1983 a meeting of the Political Executive Committee of the Central Committee of the Romanian Communist Party was held under the chairmanship of Secretary General of the Romanian Communist Party Comrade Nicolae Ceasurcescu. A report on the activity of the Romanian delegation, which took part in the work of the 37th meeting of the Session of the Council for Mutual Economic Assistance, which was held in Berlin on 18-20 October 1983, was made in the

Political Executive Committee. The Political Executive Committee noted that the work of the Romanian delegation took place in conformity with the given assignment and with the decisions of the 12th Congress of the Romanian Communist Party, on the basis of which Romania is placing at the center of its international relations the development of cooperation with all the socialist states, first of all the neighboring socialist states, and with the CEMA member countries on the basis of complete equality, mutual advantage and comradely mutual assistance. The Political Executive Committee approved of the work of the Romanian delegation and commissioned the Council of Ministers, the ministries and other central organs to submit proposals and to specify the agreed measures on cooperation in conformity with the interests of Romania.

From the Report on the Meeting of the Politburo of the CPSU Central Committee (PRAVDA, 29 October 1983)

The Politburo of the CPSU Central Committee at its regular meeting examined the results of the 37th CEMA Session, which was held in Berlin, and approved of the activity of the delegation of the Soviet Union under the leadership of Member of the Politburo of the CPSU Central Committee and Chairman of the USSR Council of Ministers N. A. Tikhonov. It was noted that the decisions adopted at the session will promote the further intensification of production and the acceleration of scientific and technical progress, the efficient use in the CEMA countries of fuel and raw material resources and the more complete meeting of the needs of the population for foodstuffs.

The Politburo of the CPSU Central Committee rated highly the declaration against the deployment in Western Europe of new American medium-range nuclear missiles, which was adopted by the heads of the governments of the CEMA countries and once again confirms the invariability of the policy of the fraternal socialist countries of preventing a further escalation of the arms race, of preserving peace and developing cooperation among peoples. The Politburo indicated the great importance of the work performed during the CEMA Session on the completion of the preparation for the economic summit conference of the CEMA member countries and expressed the belief that the coming conference will effectively serve the cause of the successful development of the economy of the fraternal countries, the intensification of socialist economic integration and the further strengthening of the unity and solidarity of the socialist states.

The results of the bilateral meetings of N. A. Tikhonov with General Secretary of the SED Central Committee and Chairman of the GDR Council of State E. Honecker, First Secretary of the Central Committee of the Polish United Workers' Party and Chairman of the Polish Council of Ministers W. Jaruzelski and Member of the Politburo of the Central Committee of the Bulgarian Communist Party and Chairman of the Bulgarian Council of Ministers G. Filipov were also approved.

The Presidium of the Central Committee of the Czechoslovak Communist Party and the CSSR Government on the Results of the 37th Meeting of the CEMA Session (RUDE PRAVO, 29 October 1983)

The Presidium of the Central Committee of the Czechoslovak Communist Party and the CSSR Government discussed the results of the 37th meeting of the CEMA

Session, which was held on 18-20 October 1983 in Berlin. They rated highly the fact that owing to the cooperation of the CEMA member countries the economy of these countries as a whole is on the upswing, in spite of the worsened situation in the world. They especially noted the significant contribution, which the further intensification and broadening of cooperation with the CEMA member countries are making to the development of the Czechoslovak national economy and the fulfillment of the decisions of the 16th Congress of the Czechoslovak Communist Party.

The Presidium of the Central Committee of the Czechoslovak Communist Party and the CSSR Government expressed full support of the stand taken by the heads of the governments of the CEMA member countries at the 37th meeting of the CEMA Session with respect to the present international situation.

They also rated highly the outlined steps, which are aimed at the development of cooperation in the area of the economical and efficient use of fuel, energy and raw material resources, as well as at the intensification of cooperation in the further improvement of the supply of the population with foodstuffs.

The Presidium of the Central Committee of the Czechoslovak Communist Party and the CSSR Government took cognizance of the results of the meeting of the heads of the delegations and the secretaries of the Central Committees of the Communist and Workers' Parties of the CEMA member countries on the preparation of the economic summit conference of the CEMA member countries. They believe that this summit meeting will be a fundamental step in the direction of the further intensification of international socialist economic integration, the achievement of a qualitatively higher level of cooperation between the countries of the socialist community, the consolidation of their economic might and the strengthening of unity and solidarity.

The Presidium of the Central Committee of the Czechoslovak Communist Party and the CSSR Government approved of the activity of the Czechoslovak delegation at the 37th meeting of the CEMA Session, expressed full agreement with the adopted decisions and instructed the appropriate organs to ensure their fulfillment.

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USSR-CEMA TRADE

INDEX OF EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV FOR 1983

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12,  
Dec 83 (signed to press 20 Dec 83) pp 72-75

[Index of articles published in EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV  
SEV in 1983]

[Text]	Number	Page
Antonov, A., "The Goal: The Rapid Development of Nuclear Power Engineering". . . . .	3	2
"A Year of Fruitful Cooperation". . . . .	10	2
Reinhold, O., "The Fraternal Cooperation of the CEMA Member Countries Is a Vivid Example of the Creative Application of the Teachings of Karl Marx" . . . . .	5	2
"The Union of Soviet Socialist Republics Is 60 Years Old" . . . . .	1	5
Tsedenbal, B., "The Completion of the Building of Socialism in the Mongolian People's Republic and the Increase of Its Participation in the International Socialist Division of Labor" . . . . .	8	2
The 37th Meeting of the Session of the Council for Mutual Economic Assistance		
"Reports on the Examination by the Leading Party and State Organs of the CEMA Member Countries of the Reports of the Delegations of the CEMA Member Countries on the Results of the 37th Meeting of the CEMA Session" . . . . .	12	2
"At the 37th Meeting of the Session of the Council for Mutual Economic Assistance" . . . . .	12	6
"Declaration of the Heads of the Governments of the Member States of the Council for Mutual Economic Assistance" . . . . .	12	18
"Communique on the 27th Meeting of the Session of the Council for Mutual Economic Assistance" . . . . .	12	19
"Statement of Deputy Secretary of the Council Comrade B. Kadar at a Press Conference on the Results of the Work of the 37th Meeting of the Session of the Council" . . . . .	12	22

The Comprehensive Program in Action	Number	Page
Agachi, N., "Ferrous Metallurgy of Romania and the Prospects of Its Development". . . . .	6	6
Bil'bao, A., Menzel, K., Sychev, V., "Modern Nuclear Energy and Some Trends of Its Development". . . . .	3	14
Blagov, V., Kazakov, L., "Scientific and Technical Cooperation of the CEMA Member Countries and Yugoslavia in the Area of Shipbuilding" . . . . .	9	32
Bobrek, I., Vol'f, U., Kostin, A., "The Information Support of the Long-Term Goal Programs of Cooperation and the Complex Problems of Scientific and Technical Cooperation" . . . .	2	28
Bogatska, M., Sil'vestrov, S., "The Experience of the Development of Direct Ties" . . . . .	5	19
Bodyul, I., "In the Name of the Increase of the Well-Being of the People" . . . . .	6	2
Boyko, L., Fortunkov, D., "The Making of Assemblies and Parts of General Machine Building Use" . . . . .	2	25
Bonin, Kh., "Cooperation and Mutual Assistance Are the Guarantee of Success" . . . . .	4	5
Borokh, N., "The Choice of Priorities" . . . . .	2	11
Bochkarev, I., Mansurov, I., Tarskiy, V., "In the Priority Directions of Machine Building" . . . . .	10	16
Weiz, H., "Special Concern for the Introduction of the Latest Results of Science and Technology" . . . . .	7	5
Vasileva, L., "The Trends of Development of Light Industry of Bulgaria" . . . . .	9	9
Vo Van Kiet, "The Fulfillment of the SRV State Plan in 1982"	7	15
Gres, V., "The Improvement of Management and Planning in the Area of Capital Investments" . . . . .	11	20
Grishin, A., "Excellent Quality for New Medical Equipment" .	7	44
Gyurov, M., "Cooperation in the Area of Selection, Strain Testing and Seed Growing" . . . . .	1	27
Dang Hoi Xuan, "Fraternal Assistance in the Development of Public Health of the SRV" . . . . .	2	2
Dedov, A., "Chemistry for the National Economy" . . . . .	6	21
Doering, K., "The Economical and Efficient Use of Raw Materials, Power and Fuel in GDR Nonferrous Metallurgy" . . . . .	4	10
Dzhalayev, M., "The Economical and Efficient Use of Fuel and Energy Resources" . . . . .	3	19
Donda, A., "Results of the Development of the GDR National Economy in 1982" . . . . .	7	16
Dulovets, Sh., "International Specialization and Cooperation in Industry of the CEMA Member Countries" . . . . .	1	17
Dyulgerov, T., "Cooperation of Bulgaria in the Area of Machine Building" . . . . .	5	18
Yegoshin, Ye., Boda, D., "The Reciprocal Trade of the CEMA Member Countries in Industrial Consumer Goods" . . . . .	5	23
Yeletskiy, V., "The Development and Production of Equipment for Construction" . . . . .	11	6
Yechminek, V., "According to a Coordinated Plan" . . . . .	11	32

	Number	Page
Zhadamba, G., "Secondary Raw Material Resources: Efficient Use". . . . .	6	14
Zhil'tsov, Ye., Andriyeshin, V., "The Training and Increase of the Skills of Scientific Personnel". . . . .	2	35
Zhor, A., "The Effectiveness of Cooperation". . . . .	5	27
Singhuber, K., "The Development of GDR Ferrous Metallurgy: Integration Ties". . . . .	5	8
Il'in, M., Popoudin, A., "The Efficient Use of Scientific and Technical Potentials". . . . .	5	31
Isayev, V., "Urgent Problems of the Increase of the Effectiveness of Capital Investments in the USSR". . . . .	11	25
Kaloyanova, F., "Measures in the Area of Labor Hygiene and Occupational Diseases". . . . .	2	32
Karelin, Yu., "The Assurance of Traffic Safety". . . . .	8	23
Kiss, A., "The Development of the Hungarian Economy in 1982". . . . .	7	12
Klimenko, V., "On a Contractual Basis". . . . .	12	35
Kovacs, D., "The Participation of Hungary in the Cooperation of the CEMA Member Countries in the Area of Planning Activity"	12	26
Kozyrev, V., Voskresenskiy, A., Lukach, P., "The Specialization and Cooperation of Production in Nonferrous Metallurgy". . . . .	4	13
Kolesnikov, A., Yankekh, A., "On a Comprehensive Basis" . . . . .	1	20
"Cooperation of the CEMA Member Countries in the Automotive Industry". . . . .	2	23
Kornev, V., Kuchala, M., "'Informneftegaz': The Results of 5 Years of Cooperation". . . . .	6	36
Korovkin, V., "The Role of the Economic Mechanism in the Supply of the Population With Foodstuffs". . . . .	10	21
Kotouch, V., "The Coordination of the Plans for 1986-1990". . . . .	1	14
Kochandrie, V., "The 'Intertransplant' International System". . . . .	11	36
Krakhmalev, Yu., "The Building of Nuclear Electric Power Stations With Fast Reactors". . . . .	8	11
Kubat, M., "The Electrical Equipment Industry Is a Key Sector of Industry of Czechoslovakia". . . . .	1	7
"The Cuban Economy in 1982". . . . .	7	20
Kudinov, V., "The USSR National Economy in 1982". . . . .	7	29
Kuznetsov, N., Nartsissov, L., "The Joint Planning of Individual Sectors of Industry and Types of Works". . . . .	2	8
Kuz'kin, V., "The Role of Cooperation in the Increase of the Efficiency of Civil Aviation". . . . .	10	11
Laryukhin, G., "The Complete Mechanization of Forestry Work". . . . .	1	31
Le Sung, "Scientific and Technical Cooperation Between the SRV and the USSR". . . . .	7	41
Leont'yev, V., "Some Problems of the Improvement of Scientific and Technical Cooperation". . . . .	4	20
Listov, V., "Mutual Advantage and Great Efficiency" . . . . .	8	6
Luzin, G., Zheleznova, N., Somsed, E., "The Prediction of Coal Deposits". . . . .	6	17
Luzin, G., "The Formation of the Mineral Raw Material Base for the Future" . . . . .	3	28
Markov, Ya., "Forestry of Bulgaria" . . . . .	1	10

	Number	Page
Marchenko, V., "The Price Is a Stimulus of the Saving of Fuel and Raw Material Resources". . . . .	8	34
Millares, M., "Light Industry of the Republic of Cuba: The Prospects of Development". . . . .	9	17
Mikhaylov, L., Dotsenko, T., "The Stages of Cooperation in the Building of Hydroelectric Power Stations and Pumped-Storage Electric Power Stations" . . . . .	3	22
Micka, V., "The Development of the CSSR Economy in 1982" . . . . .	7	32
Mishev, S., "The Experience of Saving Energy Resources in Bulgaria". . . . .	8	29
Mozharov, N., "The System of Planning Activity in Transport" .	8	17
Motorin, A., "Multilateral Cooperation Is an Important Factor of the Development of Atomic Power". . . . .	3	10
Naydan, G., "The Prospects of the Development of Light Industry of Mongolia" . . . . .	9	20
Nikht, L., "The Role of the International System of Patent Information in Scientific and Technical Cooperation" . . . . .	4	22
Obodowski, J., "Cooperation With the CEMA Member Countries Is an Important Factor of the Development of the Economy of Poland"	9	2
Oydobdanzan, R., "The National Economy and Culture of Mongolia in 1982" . . . . .	7	23
Ochirbat, P., "The Use of Water Power Resources in Mongolia" .	3	5
Pandev, I., "The Use of Nuclear Methods in the National Economy of Bulgaria" . . . . .	8	9
Papazov, N., "An Important Factor of the Intensification of the Economy" . . . . .	12	29
Petrov, L., "The Planning of Capital Investments in Bulgaria".	11	13
Pirisi, J., "The Effectiveness of Cooperation in the Area of Transport" . . . . .	8	20
Prokudin, V., Pullmann, M., "The Most Important Direction of Scientific and Technical Progress" . . . . .	2	15
Purr, I., Khalas, A., "An Important Unit of the Infrastructure"	8	38
Ryzhov, I., "The Socioeconomic Development of the CEMA Member Countries in 1981-1982" . . . . .	6	26
Sabadi, B., "The Development of Transport in the European CEMA Member Countries" . . . . .	8	26
Szabo, I., "The Development and Tasks of Light Industry of Hungary" . . . . .	9	14
Sarza, F., "The Importance of the Comprehensive Planning of Science and Technology for the Republic of Cuba" . . . . .	5	29
Skladnev, M., Zolotov, L., Zhebrovskiy, A., "The Construction of Water Power Projects" . . . . .	3	25
Smirnova, T., "The Development of New Types of High Quality Synthetic Leathers" . . . . .	9	34
Sodnom, D., "Highly Efficient Cooperation With the Fraternal Countries" . . . . .	5	6
Sukhy, Z., "Multilateral Cooperation Is a Decisive Factor of Our Achievements" . . . . .	5	13
Sendenjab, N., "Joint Enterprises Are an Important Form of Cooperation" . . . . .	2	4

	Number	Page
Sendenjab, N., Dabaadorj, T., "Socialist Economic Integration and the Development of the National Economy of Mongolia"	9	6
Tasev, S., "The National Economy of Bulgaria in 1982". . . . .	7	9
Titov, N., "Chemical Goods in the Foreign Trade of the CEMA Member Countries". . . . .	2	17
Todoriev, N., "A Mighty Stimulus of the Development of Bulgarian Power Engineering". . . . .	11	2
Tot, Z., "The Prevention and Elimination of Oil Spouters and Uncontrolled Gas Blowouts" . . . . .	6	35
Usachev, G., "The Center of the Joint Training of Aviation Specialists of the CEMA Member Countries". . . . .	9	28
Ujhazy, K., "Capital Construction in the CSSR" . . . . .	11	28
Hempel, D., "A Significant Reserve of the Saving of Materials"	8	32
Hoos, J., "The Basic Traits of the Investment Policy of Hungary" . . . . .	11	16
Jose Luis Beltran, "The State and Prospects of the Development of Water Power in the Republic of Cuba" . . . . .	3	7
Tsend, J., "The Planning of Capital Investments in Mongolia"	11	23
Chervyakov, I., "The Long-Term Program of Cooperation on Matters of Invention". . . . .	1	24
Ciobanu, L., "Light Industry of the Socialist Republic of Romania During the Current Five-Year Plan" . . . . .	12	32
Shalayda, Z., "Extensive Cooperation Is a Mutual Benefit". .	4	2
Salapa, L., "The Socioeconomic Development of the Socialist Republic of Romania in 1982" . . . . .	7	26
Shaposhnikov, Ye., "The Goal: The Production of Petroleum and Gas on the Continental Shelf" . . . . .	8	14
Shevchik, B., "For the Purposes of the Intensification of Animal Husbandry" . . . . .	10	30
Shirayev, Yu., Anchishkin, A., "A Decisive Direction of the Increase of the Efficiency of Socialist Production" . . . . .	4	17
Soltesz, I., "In Cooperation With the Fraternal Socialist Countries" . . . . .	6	11
Shkhvatsabaya, I., "Joint Efforts in the Area of Cardiology"	11	38
"The Economy of the CEMA Member Countries in 1982" . . . . .	7	36
Juhasz, A., "The Saving of Raw Materials and Energy in the Aluminum Industry of Hungary" . . . . .	4	8
Yarmolyuk, V., "By Combining Efforts" . . . . .	10	8

#### The Activity of CEMA Organs

Bagudin, P., "On a Multilateral Basis" . . . . .	6	42
Brochilo, L., "Fruitful Cooperation" . . . . .	9	40
Waszak, E., "The Experience and Prospects of Cooperation in the Area of Construction" . . . . .	12	37
Vernyuk, M., "The Use of Material Resources in the Food Industry" . . . . .	2	42
Wiedenhof, A., "The Saving and Efficient Use of Energy, Fuel and Raw Materials in the Chemical and the Pulp and Paper Industries" . . . . .	9	43

	Number	Page
Gavrilov, Ye., "The Efficient and Economic Use of Fuel, Energy and Raw Material Resources". . . . .	5	38
Goloskov, B., Pokosh, I., "The Construction and Renovation of Capacities of Ferrous Metallurgy". . . . .	10	32
Gyurov, M., Daryukhin, A., "An Important Reserve of the Increase of Agricultural Output" . . . . .	10	42
Zaytsev, G., "Cooperation Is Expanding" . . . . .	3	33
Zotov, D., "Transport: The Coordination of Plans and the Solution of Complex Problems" . . . . .	5	34
Kasich, M., "Mutual Consultations" . . . . .	1	33
Klyamov, K., Smirnov, S., "The Prospects of Cooperation in the Improvement of the Supply of the Population of the CEMA Member Countries With Foodstuffs" . . . . .	6	49
"Communiqué on the 105th Meeting of the Executive Committee of the Council for Mutual Economic Assistance" . . . . .	2	45
"Communiqué on the 106th Meeting of the Executive Committee of the Council for Mutual Economic Assistance" . . . . .	7	47
Kopca, J., "Light Industry Is an Important Sphere of Cooperation" . . . . .	9	36
Krechmar, D., "The Regulation of Reciprocal Trade" . . . . .	12	41
Kulikov, V., "The Saving of Material Resources: The State and Tasks of Cooperation" . . . . .	8	46
Luppov, L., "The Goal: The More Thorough Refining of Petroleum"	7	48
Mablet, U., "The Equalization of the Levels of the Geological Study of the Territories of the Fraternal Countries" . . . . .	6	39
Mukhin, B., Yevsyukov, Ye., Kuznetsov, N., "The Policy: The Saving of Fuel and Energy" . . . . .	10	36
Panasenkov, A., Tolpygo, V., "An Important Task of the Development of Atomic Energy" . . . . .	6	46
Pashov, D., Bogdanov, A., "The Exchange of Products for Production Engineering and Other Purposes" . . . . .	4	30
Pedro L. Dorticos del Rio, Rumyantsev, A., "The 20 Years of the Conference of Managers of Water Management Organs of the CEMA Member Countries" . . . . .	2	39
Petkov, A., "The Intensification of Agriculture" . . . . .	11	42
Sidorov, I., "CEMA Standards in the Service of Labor Safety" .	8	50
Chaushev, A., "Foreign Trade in 1982: The Rates, Structure, Trends" . . . . .	8	43
Uykheyi, Sh., "The Results and Prospects of Cooperation in the Area of the Diary Industry" . . . . .	4	32
Fedorovskiy, G., "An Important Factor of the Acceleration of Scientific and Technical Progress" . . . . .	4	27
Khalas, A., "Questions of the Improvement of Containers and Packaging Materials" . . . . .	1	35
Simonovsky, M., "The Development of Modern Automotive Diesel Engines" . . . . .	11	45
 The Sharing of Experience		
Barinov, O., "The Stimulation of Workers in the Economical and Efficient Use of Material Resources" . . . . .	10	44

	Number	Page
Belchev, B., "The Currency and Financial Mechanism of Bulgaria". . . . .	3	37
Borodin, Yu., "The Sharing of Experience on the Planning of the Most Improvement Measures of Cooperation With Allowance Made for the Long-Term Goal Programs of Cooperation". . . . .	5	42
Boruzh, D., "The Development of Subsidiary Farms and Private Plots in Hungary" . . . . .	3	40
Volodin, A., Serebryakov, V., Grankov, L., "The Coordinated Planning of Related Types of Transport" . . . . .	8	57
Karaivanov, A., Doncheva, I., Petrov, G., "An Important Unit of the Food Problem". . . . .	11	50
Karpukhin, G., "The Control of Influenza Is a Problem of National Economic Importance" . . . . .	1	45
Lilov, G., "The Development of Private Plots in Bulgaria" . . .	6	57
Lübsantseren, B.-O., "We Are Using the Experience of Friends"	11	52
Mann, J., "'Lunar Craters' Will Turn Into Plowlands, Forests and Beaches" . . . . .	5	45
Rost, H., "The Improvement of Cost Accounting in the GDR" . . .	1	38
Sabolcik, M., "The Experience of the CSSR in the Stimulation of the Saving of Fuel and Raw Materials by Wholesale Prices".	4	37
Tomov, N., "The Contribution of Bulgarian Scientists to Corn Production" . . . . .	4	40
Tomsa, F., Dumitrescu, L., "The Use of Solar Energy in Romania"	2	50
Halbritter, W., "The Role of Wholesale Prices in Management, Planning and Cost Accounting in the GDR National Economy" . .	11	47
Khristova, A., "The Improvement of Statistical Information in the National Economy of Bulgaria" . . . . .	8	54
Schwandtke, M., Wagner, H., "Robotics in the GDR and the New Bounds of Cooperation" . . . . .	2	46
Shpilak, F., "The Economical and Efficient Use of Raw Material Resources" . . . . .	6	53
Yanovici, V., "The 10th Anniversary of Environmental Protection in Romania" . . . . .	1	42

**At the Enterprises and in the Organizations of the CEMA Member Countries**

Atanasov, K., "The Role of Cooperation in the Renovation and Modernization of the Metallurgical Combine" . . . . .	5	54
Belov, V., "The Experimental Scientific Research Institute of Metal-Cutting Machine Tools: The Policy of Technical Progress"	9	56
Binecki, M., "The Sewing Industry of Poland: Participation in Cooperation" . . . . .	10	56
Varnachev, Ye., "Uralmash: The Development and the Prospects of the Production of Heavy-Duty Excavators" . . . . .	5	50
Vasil'yev, N., "Aeroflot: By the Routes of Friendship" . . . .	6	65
Vokurka, F., "Robotron: The Bounds of Cooperation" . . . . .	10	50
Volchkov, S., "The Mashinoimport All-Union Association Is 50 Years Old" . . . . .	11	57

	Number	Page
Hlavacek, I., "The Past and Present of the Zapadocesky Brewery" . . . . .	3	52
Goyka, V., "The ZAVT Concern and Its Participation in the International Socialist Division of Labor" . . . . .	9	48
Dechev, Y., "An Example of Fraternal Cooperation" . . . . .	9	59
Dimitrov, D., "Balkan-Bulgarska Grazhdanska Aviatsiya: 35 Years of Fruitful Cooperation With the CEMA Member Countries" . . . . .	2	60
Dzhermanov, M., "Tekhnoeksportstroy Is 25 Years Old" . . . . .	4	46
Dondob, D., "Baga nuur Is a New Industrial Center of Mongolia" . . . . .	3	49
Keleni, G., "The Joint Coordination of Fashion Trends" . . . . .	10	54
Kostadinov, V., "Joint Logging in the Komi ASSR Is an Example of Fraternal Friendship" . . . . .	7	54
Leonov, Yu., "In the Service of Peace and Progress" . . . . .	4	50
Ludvik, Ya., "Skoda Is the Most Prominent Industrial Partner" . . . . .	2	66
Matsegora, Ye., "The People of Novyy Kramatorsk to the Enterprises of the Fraternal Countries" . . . . .	2	63
Melkonyan, M., "Csepel: A Policy of Efficiency" . . . . .	3	55
Podkolzin, V., "The Moscow Motor Vehicle Plant imeni I. A. Likhachev Is Cooperating With Avia-Praha" . . . . .	8	62
Radin, V., "The Development of a Unified Series of Induction Motors in the Member Countries of Interelektro" . . . . .	7	51
Sinitsyn, O., "On the Activity of the Vneshtekhnika All-Union Association" . . . . .	1	52
Tatai, I., "Taurus: Production, Scientific and Technical Activity" . . . . .	6	61
<b>International Competition</b>		
Memekke, I., "Smeltings of Friendship: The Common Quest for High Achievements" . . . . .	2	54
"Recommendations on the Organization of the International Socialist Competition of Labor Collectives of the CEMA Member Countries" . . . . .	1	48
<b>By Joint Efforts</b>		
Yovchev, N., Luk'yanchenko, S., "The Sky-Blue Bridge of Friendship" . . . . .	10	58
<b>Our Commentary</b>		
Bykov, A., "The Exchange of Technology With Countries of the West: Mutual Advantage or One-Sided Dependence?" . . . . .	9	62
Pan'kov, V., "Real Crisis and Imaginary Crisis" . . . . .	8	65
<b>In the International Organizations of the CEMA Member Countries</b>		
Belichenko, A., "On the Effectiveness of Credits of the International Investment Bank in the Development of Production of the Member Countries of the Bank" . . . . .	10	65

	Number	Page
Berest, A., Medvedev, A., "Interetalonpribor--10 Years of Cooperation" . . . . .	5	60
Vorotnikov, V., "The International Economic Organizations of the CEMA Member Countries: The Increase of Efficiency" . . .	5	57
Yeger, B. Kozlov, Yu., "Assofoto--10 Years of Cooperation of the Photochemical Industry of the USSR and the GDR" . . . . .	7	56
Yezhov, N., "Intertekstil'mash: Results and Prospects" . . . . .	12	50
Kleshchev, V., "On a Multilateral Basis" . . . . .	12	56
Ovchinnikov, F., "For the Development of Atomic Power" . . . . .	12	46
Stanilov, K., "The Participation of Bulgaria in the Activity of Interelektron" . . . . .	4	54
Figer, Kh., Sabo, Ya., Poor, F., "Intermetall: Effective International Cooperation" . . . . .	9	66
Schauer, H., "The Directions and Results of Cooperation in the Production of Dyes" . . . . .	8	70

#### CEMA Relations With Other International Organizations

"In the Second Committee of the UN General Assembly. Speech of the Head of the Delegation of the Council for Mutual Economic Assistant and CEMA Deputy Secretary Werner Liebig" .	1	55
Zhuravlev, Yu., "For the Purposes of Promoting International Cooperation" . . . . .	6	71
Kanayev, N., "UNESCO and the Most Important Problems of the Present" . . . . .	11	64
Melikayev, A., "The Cooperation of CEMA and the UN Economic Commission for Europe in the Area of Statistics" . . . . .	4	57
Perelet, R., "International Conservation Cooperation Within UNEP" . . . . .	8	73

#### Economic Relations of CEMA Member Countries With Other Countries

Ballo, K., "The Cooperation of CEMA Member Countries in the Construction of Projects in Developing Countries" . . . . .	6	75
Galaktionov, I., "On the Principles of Equality and Mutual Advantage" . . . . .	7	59
Kapranov, I., "The USSR and the Developing Countries: Economic and Technical Cooperation in the 1980's" . . . . .	3	60
Nikolayev, Ye., "Economic Cooperation of the CEMA Member Countries With Developing Countries" . . . . .	9	69
Prokop'yev, I., "CEMA-Finland: 10 Years of Fruitful Cooperation" . . . . .	5	71
Tapiola, I., "Multilateral Cooperation Between the Republic of Finland and the CEMA Member Countries" . . . . .	2	71
Teodorovich, T., "The Economic and Technical Assistance of the Soviet Union to Developing Countries" . . . . .	5	64
Tsarev, N., "The CEMA Scholarship Fund" . . . . .	2	74

The Improvement of the Legal Bases of Cooperation	Number	Page
Boguslavskiy, M., "Legal Questions of Scientific and Technical Cooperation" . . . . .	12	66
Ivanov, I., "The Standardization of the Privileges and Immunities of the Interstate Economic Organizations of the CEMA Member Countries" . . . . .	3	66
Morozov, V., "Direct Ties Are an Effective Form of Cooperation"	1	59
Petrosyan, R., "The Standardization of the National Legal Norms of the CEMA Member Countries" . . . . .	4	60
 Scientific Life		
Belovich, A., Zvorygin, Yu., "Urgent Problems of the Renovation and Modernization of Production" . . . . .	4	68
Iovchuk, S., "An Important Area of Cooperation" . . . . .	1	62
Koday, M., Sidorov, N., Khorvat, A., "The Experience of the CEMA Member Countries in Solving the Problems of Manpower Resources" . . . . .	3	44
"Statisticians Are Sharing Experience" . . . . .	9	73
 Expert Opinions		
Valeshko, M., Dyakin, B., Perevertaylo, V., "The Specialization of the National Economic Complexes of the CEMA Member Countries"	4	63
Gorizontov, B., Letenko, A., "Some Questions of the Development of the Production Infrastructure of the CEMA Member Countries".	7	64
Sharenkov, S., Medvedev, B., "Structural Changes in the National Economic Complexes of the CEMA Member Countries" . . . . .	3	70
 Economic Commentary		
Shinkov, N., Vogankova, A., "The Goal: The Acceleration of the Development and the Increase of the Efficiency of the National Economy of Mongolia, the Republic of Cuba and the SRV" . . . . .	6	30
 Statistical Commentary		
Batzorig, Zh., Kvetsen', K., Leymeter, Y., "The Production of the Basic Products of Animal Husbandry in the CEMA Member Countries" . . . . .	10	26
Dubnov, B., Cruz Serafin Hernandez, "The Statistical Study of Interfarm Cooperation and Agro-Industrial Integration" . . . . .	5	75
Il'yenkov, V., "The Increase of the Well-Being of the People in the CEMA Member Countries" . . . . .	9	24
Nazarov, V., "The Improvement of the Automation of the Processing of Statistical Information" . . . . .	7	67
Orlov, V., "The Foreign Trade of the CEMA Member Countries During the First Year of the Current Five-Year Plan" . . . . .	1	73

At International Exhibitions and Trade Fairs	Number	Page
Alenichev, V., "The International Book Holiday" . . . . .	12	61
Levina, L., "The Most Important Review of Chemistry" . . . . .	1	64
Perepletchikov, L., "The Site of the Meeting of Partners Is the Budapest International Trade Fair Center" . . . . .	11	68
Svoboda, K., "The International Machine Building Trade Fair" .	3	72
Fischer, S., "The Leipzig Trade Fair Is a Symbol of Fruitful Cooperation" . . . . .	7	70

#### News Items

Borzenkov, I., "The Conference of Managers of Editorial Boards of Journals and Advertising Services" . . . . .	9	75
Kudryashov, M., Kozhevnikov, B., "Urgent Problems of the Legal Regulation of International Trade" . . . . .	9	74
"In the Interests of Cooperation" . . . . .	6	33
"Press Briefing of Werner Liebig, Head of the Delegation of the Council for Mutual Economic Assistance" . . . . .	1	58
"Food for 6 Billion" . . . . .	12	43
"The Conference of Representatives of Editorial Boards of Journals" . . . . .	2	77
"The Conference of Representatives of Editorial Boards of Journals" . . . . .	12	71
"CEMA-Finland: Anniversary Measures in Honor of the 10th An- niversary of the Agreement" . . . . .	8	52

#### Bibliography

Zaytsev, N., Gerasimenko, V., "Historical Economic Aspects of the Development of the Socialist Community" . . . . .	12	69
Iskra, V., "'The World Socialist Economy': A Fundamental Analysis" . . . . .	10	70
Kalousek, Ya., Boloshin, I., "Procedural Materials and Docu- ments on Packages of Applied Programs" . . . . .	4	71
Matevosov, E., "Aspects of Cooperation" . . . . .	1	69

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7807  
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USSR-CEMA TRADE

BIOGRAPHY OF CEMA SECRETARY V. V. SYCHEV PRESENTED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12,  
Dec 83 (signed to press 20 Dec 83) p 21

[Article: "Secretary of the Council for Mutual Economic Assistance Vyacheslav Vladimirovich Sychev"]

[Text] At the 37th meeting of the Session of the Council for Mutual Economic Assistance, which was held in the capital of the German Democratic Republic, Berlin, Vyacheslav Vladimirovich Sychev, the representative of the Soviet Union, was appointed CEMA Secretary.

Doctor of Technical Sciences Professor V. V. Sychev was born in 1933. He has been a CPSU member since 1960. After graduating from the Moscow Institute of Power Engineering, he began his scientific activity in the Thermophysical Problem Laboratory of the Moscow Institute of Power Engineering. Then he worked at the Laboratory of High Temperatures of the USSR Academy of Sciences, which was later transformed into the Institute of High Temperatures of the USSR Academy of Sciences. In 1963 he became the deputy director of this institute for scientific work. From 1974 to 1977 he was the director of the All-Union Scientific Research Institute of Metrological Services. He is the author of a number of scientific works. In 1976 he was awarded the USSR State Prize.

From 1977 to 1979, while a member of the USSR State Committee for Science and Technology, V. V. Sychev headed the All-Union Scientific and Technical Information Center of the State Committee for Science and Technology. From 1979 to his appointment to the post of Secretary of the Council for Mutual Economic Assistance he worked as Deputy Chairman of the USSR State Committee for Science and Technology. He studied themes, which were connected with the scientific and technical cooperation of the Soviet Union with the socialist countries, was chairman of the Council for Scientific and Technical Cooperation in the Area of Fuel and Energy Problems of the CEMA Committee for Cooperation in Scientific and Technical Research and a member of a number of intergovernmental bilateral commissions on the economic, scientific and technical cooperation of the USSR with the socialist countries.

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USSR-CEMA TRADE

CEMA PLANS FOR COOPERATION IN CONSTRUCTION DETAILED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) pp 37-40

[Article by Polish Vice Minister of Construction and Construction Materials Industry Edward Waszak, chairman of Section No 3 of the CEMA Permanent Commission for Construction: "The Experience and Prospects of Cooperation in the Area of Construction"]

[Excerpts] Many years ago the fraternal countries began cooperating within the Section for Industrial and Agricultural Construction (Section No 3) of the CEMA Permanent Commission for Construction.

The intensification of specialization and cooperation in the area of planning, construction and installation, scientific research and experimental work for the construction of high-power cooling towers, smokestacks more than 200 m tall, silos with a capacity of 20,000 tons and tunnel-type furnaces is an important aspect of cooperation. A multilateral agreement on cooperation, in which the specific tasks for 198-1985 are set, was concluded for these purposes.

The work, which has been performed within the framework of the agreement, has promoted the increase of the technical level of planning and construction.

The development of new advanced technologies for selected types of operations and projects, as well as of programs of the complete mechanization of technological processes holds a significant place in the activity of the section. The technical, economic and operating requirements for machines for excavation and earth moving, concrete, loading and unloading, installation and many other types of construction operations have been elaborated.

A set of uniform criteria, methods and forms of the introduction of indicators for the determination of the level of mechanization has been developed. These data have been turned over to Section No 9 of the CEMA Permanent Commission for Mechanical Engineering. Within the framework of the cooperation of Sections No 3 and No 9 the following themes have been elaborated with the participation of specialists of both sectors:

the analysis of the technical and operating requirements for machines which are intended for the mechanization of the technological processes which are being introduced in construction;

the specialization of the production of machines and equipment for construction, installation and finishing operations, as well as for the construction materials industry;

versions of the mechanization of the processes of the performance of selected types of construction operations in accordance with modern technologies;

the making of a catalogue of construction machines;

the elaboration of drafts of CEMA standards for construction machines.

The improvement of the unified system of standardization support is an important question of cooperation. A method, which specifies the principles of the drawing up and content of the standards and according to which they are divided into three groups subject to the extent of application, has been prepared. This is conducive to the systematization of the development and use of CEMA standards in the countries of the socialist community. The impact, which was obtained in 1981-1982 in accordance with the standardization developments and the unification of design and technological decisions, at present is already being felt in the CEMA member countries, although the most significant results are expected in the coming years.

Research has been started on chemical admixtures for concretes, especially superplasticizers and multipurpose additives. Here the goal consists in the economy of the consumption of cement for concrete structures. The automated control system of the production of house-building combines, the saving of fuel and energy, as well as the improvement of the system of construction catalogues are an object of cooperation.

The section has prepared a number of reports on important questions of industrial and agricultural construction of the countries participating in cooperation, which were reviewed and approved by the CEMA Permanent Commission for Construction. Among the most urgent problems one should name: "The Basic Questions on the Designing and Use of Structural Component in Case of the Modernization and Technical Reinforcement of Industrial Enterprises in the CEMA Member Countries," "The Basic Questions on the Designing and Construction of Production Facilities for Agriculture in the CEMA Member Countries," "The Questions of the Development of the Mechanization of Construction in the CEMA Member Countries" and "The Questions of the Saving and the Rationalization of the Consumption of Fuel and Energy in the Area of Industrial and Agricultural Construction."

The first of the enumerated reports is a survey of the trends of scientific and technical progress in the countries, which can serve as the basis for the choice of a specific area of multilateral cooperation. The theme of the 7th International Conference on Structural Designing, which was devoted to questions of modernization, was determined on the basis of the basic assumptions of the report. The second report is the basis of the elaboration of the program of cooperation in agricultural construction. The third report covers a wide range of questions which go beyond industrial and agricultural construction. Finally, the fourth report evaluates the situation in the area of the rationalization of the consumption of fuel and energy in construction, the results of the performed work, as well as a number of suggestions on cooperation.

The decrease of the share of new construction in favor of renovation, modernization and repair will become the main direction of the significant structural changes of construction and installation work for the period to 2000. For example, the need has arisen for the renovation of facilities with a reinforced concrete framework, which were built before World War II. Considerable progress in the mechanization of operations in agriculture, the storage, as well as the processing of agricultural products, the mechanization of farm work on private plots and so on is envisaged. The changes of the structure of capital investments will also be characterized by the increase of the share of rural construction with the simultaneous decrease of the proportion of industrial construction.

On the basis of these main changes it is necessary to take into account in the work of Section No 3 the following trends:

the increase of the demands on the quality both of materials and components and of construction and installation work;

the need for the significant saving of energy and raw materials, especially by the use of waste-free technologies;

the increase of the demands on the improvement of working conditions and environmental protection, for example, in the area of the reclamation and discharge of waste water;

the introduction of the complete mechanization and automation of production processes;

the need for the more rapid adaptation of construction to the changed internal and external conditions.

The improvement of design and construction decisions is one of the basic directions of scientific and technical progress in construction. Preference is being given to frame construction with the use of concrete of greater strength, steel with higher technical parameters, as well as structural concretes based on light-weight aggregates. The increase of the amount of mixed concrete-steel and wood-steel structures for the optimization of technical decisions, primarily of industrial buildings, for the purpose of the further saving of materials is envisaged. The technology of agricultural construction will be based on standardized prefabricated components with the use of steel, reinforced concrete and wood structures, as well as to a greater extent of mixed structures.

The decrease of the materials intensity and the power-output ratio of the facilities being constructed and modernized appears as another most important direction of scientific and technical development. The decrease of the consumption of thermal energy is of great importance. Therefore the types and quality of enclosing structures (roofs, walls, which separate environments with a different temperature), as well as insulating materials are acquiring particular urgency. For example, in agricultural construction the introduction in production of equipment for heat recovery and the use of biogas is a very important question.

The forecast of the trends of development of industrial and agricultural construction to 2000 is in the first phase of formulation. However, on its basis it is possible to specify the main areas of cooperation. During 1983-1985 all the started work in accordance with the adopted programs will be continued. The elaboration of a number of new themes will begin in the immediate future. New steps on the further improvement of light-weight structures, the goal of which is to lead to a saving of materials and energy, as well as the better protection of structures against corrosion and fire, will also be taken.

A very important question is the saving of fuel and energy in construction. It requires a new approach to structural decisions in case of the building of heated facilities. The search for sources of the saving of fuel and energy resources should find reflection in designing, the use of new structures and materials, as well as in case of the improvement of the methods of the operation of facilities. This requires the corresponding materials-consuming and energy-consuming decisions and construction technologies, the selection of materials, the production of which is less energy-consuming, as well as the erection of buildings, the operation of which, and especially heating, ventilation and lighting, consumes less energy.

There are a number of problems, the solution of which is responsible for not only the intensification of the activity of Section No 3, but also the further strengthening of its ties with Section No 9 of the CEMA Permanent Commission for Mechanical Engineering. It is a question first of all of the further mechanization of construction with allowance made for the need to shorten the period between the determination of the requirements and the introduction in production of machines and construction equipment.

The set of problems of the mechanization of construction should be encompassed by joint operations on the accomplishment of all the phases of the process of the designing and operation of machines:

at the phase of the determination of the principles of designing and development--the analysis of the production processes in construction, the forecast of the development of mechanization and machines, the optimization of the sets of machines, the standardization and the type series of kinds of machines, the needs for machines for construction, the programs of the introduction of new machines in production and others;

at the phase of the preproduction of machines--the study and investigations of new design decisions, the elaboration of the technical and operating demands on the design of machines, the standardization of units, subassemblies, conceptions of their new types, the directions of the modernization of machines and the testing of their prototypes and others;

at the phase of production--the determination of its specialization, the testing and evaluation of the serviceability of the machines which are being produced in series for construction, the improvement of the technology and organization of production and others;

at the phase of operation--the testing of the reliability of operation of the machines, their testing and evaluation from the point of view of the ergonomic

parameters and the labor safety parameters, the elaboration of the principles of management, systems of the maintenance and repair of machines, the technology of repairs, the supply of spare parts and others;

in the sphere of the operation of machines in the process of construction--the introduction of machines and sets of them at the construction sites, testing and the analysis of use and the causes of breakdown and the methods of their prevention.

Particular attention is being devoted to the mechanization of operations, which so far have been little mechanized, as well as to the development of technologies requiring prompt improvement, operations on the engineering preparation of the grounds, construction, installation and finishing work, technological and specialized transport, loading and unloading operations, reclamation work and others.

In the immediate future it is expedient to examine such questions as the possibility of the formation of a joint pool of single-design construction machines, a spare parts base for selected machines and a set of special concrete forms. In connection with the fact that a number of standardized normative technical documents have already been prepared, it is also necessary to return to the question of the establishment of an international organization for the designing of special facilities.

At the same time one should take into account the requirements which are being posed for industrial and agricultural construction by general national economic needs. Thus, environmental protection is raising on a larger scale a number of new problems; the strict necessity for the saving of area, which is intended for development, the protection of water, air and land require the search for new structural designs, as well as solutions of the systems of heating, ventilation, heat recovery, the purification of exhaust gases and waste water and so on. The further development of automation and robotization will influence to a significantly greater extent than at present all the decisions being made in construction, as well as the technology and mechanization of operations.

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## USSR-CEMA TRADE

### DEVELOPMENT OF GENERAL CONDITIONS FOR CEMA TRADE SUMMARIZED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) pp 41-42

[Article by Dieter Kretschmar, CEMA Secretariat: "The Regulation of Reciprocal Trade"]

#### [Text] An Important Document

The reciprocal commodity turnover of the CEMA member countries is increasing from 5-year period to 5-year period. In 1982 as compared with 1970 it had increased by more than fourfold and came to 149 billion rubles. Today the countries of the socialist community are supplying each other with raw materials and fuel, agricultural products, industrial consumer goods, complicated modern machines and equipment. It is well known, how important they are for the development of the national economy and the supply of the population.

The coordination of reciprocal deliveries and the conclusion of foreign trade deals are a complex process. Annually they encompass hundreds of types of goods and commodity groups. More than 1,600 items are contained, for example, in the protocol between the GDR and the USSR for 1982. Many thousands of individual contracts have been signed for export and import. The material obligations of the parties: the delivery dates, the place of delivery of goods, the type of transport, questions of material liability for untimely or improper fulfillment and so on, are recorded in them.

Today it is even difficult to imagine, how it would be possible to conclude in a short time thousands of such contracts without the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries, in which the basic provisions of foreign trade deals are standardized. For more than 25 years now the rights and duties of the parties have been specified in every contract and the continuous making of deliveries has been ensured precisely by means of this document, which was drawn up by the joint efforts of the fraternal countries. This means that the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries are an important and necessary tool of the reciprocal trade of our countries. It provides for uniform regulation in the area of civil and business law and promotes the rapid conclusion and implementation of foreign trade deals.

## A Little History

Lawyers, economists and representatives of business circles of different countries dreamed long ago about the standardization of the terms of commercial deals. And this is not surprising. For with the intensification of the international division of labor the exchange of goods between countries also developed. A number of complicated and hard to solve problems arose. The civil law of each state was valid only on its territory, and the specific means of regulating questions differed from each other, and very substantially. This checked the rapid development of the international exchange of goods and services. And although since the beginning of this century considerable efforts have been taken for the development of uniform terms of the regulation of foreign trade deliveries, the results have been more than modest. For many decades it was never possible to solve this problem. The private interests of the large firms of individual countries were so diverse and contradictory, that this made the finding of a compromise between the corresponding countries impossible.

The first forms of the standardization of the terms of commercial contracts appeared in the foreign economic relations of the socialist states. Thus, the provisions on the basis of prices, the basis of deliveries for water and rail transportation, the dates of these deliveries, the methods of determining the amount of products, the camp dues, the ports of departure of the commodity, the arbitration review of disputes between the partners and several others were contained in the Agreement on the Reciprocal Commodity Turnover Between the USSR and Poland of 12 April 1946. Subsequently similar items were also introduced in the trade agreements between other socialist countries.

Using the available experience and taking into account the rapidly developing commodity exchange, in 1951 the fraternal countries adopted the CEMA General Uniform Trade Terms. They were of not an obligatory, but a recommended nature. A number of problems had not yet been solved. But this was already an important step in the elaboration of a uniform document and in the standardization of legal norms. On its basis 28 bilateral General Terms of Deliveries were concluded between individual CEMA member countries.

## For the First Time in the World

The General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries were prepared within the CEMA Permanent Commission for Foreign Trade and were adopted by it on 13 December 1957. After approval by the countries they went into effect on 1 January 1958.

Uniform rules of the regulation of the most important questions of foreign trade contracts: the basis and dates of delivery, the specification of the quality and quantity of goods, the procedure of the checking of the quality, the complaint about the quantity and quality, the packaging and labeling, the submitting of technical specifications, shipping instructions and notices on shipments, the procedure of payments, release from liability, guarantees and penalties, as well as the means of the arbitration review of disputes, were contained in the General Terms.

Two more documents, which contain uniform legal norms of trade between the fraternal countries: the General Terms of the Installation and the Rendering of Other Technical Services, Which Are Connected With Reciprocal Deliveries of Machines and Equipment Between the Foreign Trade Organizations of the CEMA Member Countries, and the General Terms of the Maintenance of Machines, Equipment and Other Items, Which Are Delivered Between the Foreign Trade Organizations of the CEMA Member Countries, went into effect in 1962.

In the more than 20 years which have passed these three documents have been repeatedly improved. A new version of the section "The Procedure of Payments" of the General Terms of Deliveries went into effect back in 1964. Significant changes, which concern the specification of the quality of goods and the material liability for the nonfulfillment or the improper fulfillment of obligations, were introduced in 1968. The new section "Limitation of Claim" was included.

The General Terms of Deliveries were also changed and supplemented in 1975 and 1979, the General Terms of Installation--in 1974 and the General Terms of Maintenance--in 1974 and 1982. And this promoted the further development of reciprocal trade.

#### On a Planned Basis

It should be stressed that the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries were drawn up and improved in close connection with the entire system of the planning and management of foreign trade between the CEMA member countries.

As is known, planning is the basic method of the extension and intensification of socialist economic integration. It dictates the organizational forms of the export and import of the CEMA member countries. The principle of the state foreign trade monopoly is a specific expression of this. The deliveries between the fraternal countries are integrally coordinated with the national economic plans.

Using the exclusive right of the state to the conduct of foreign trade, the CEMA member countries created a unified system of joint regulation. It is based on the new principles of interstate relations and ensures equal relations and the systematic and stable increase of the commodity turnover. Its most important element is the long-term trade agreements, which are concluded in conformity with the results of the coordination of the national economic plans. These agreements are signed on a bilateral basis between the governments of the fraternal countries. Their main content is the specification of the export and import quotas. They are made more precise and are supplemented in the annual protocols on reciprocal deliveries. This makes it possible to supply the partners with the goods, which are most important for their national economy, and creates favorable conditions for the development of the corresponding sectors, the further development of the international specialization and cooperation of production and the implementation of the long-term goal programs of cooperation and the Coordinated Plan of Multilateral Integration Measures.

The general principles of the formation of prices and the balancing of the commodity turnover and settlements for the goods being delivered through the International Bank for Economic Cooperation also play a significant role in this system.

The foremost task, which has been posed today by the Communist and Workers' Parties of the CEMA member countries, is the intensification of national economic processes. The further development of reciprocal trade will promote its accomplishment. Hence the need for the constant improvement of the system of its management, including such important documents as the General Terms of Deliveries, the General Terms of Installation and the General Terms of Maintenance.

#### Following the Example of the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries

The importance, which the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries have for the broadening and intensification of foreign trade relations, is attested by the fact that they have become an example for the regulation of the commodity turnover of the fraternal countries with several other states as well.

On the basis of this document a number of CEMA member countries and Yugoslavia have elaborated bilateral general terms, which are used in accordance with the understanding of the parties.

The experience of the use of the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries contributed to the preparation within the Commission for Cooperation of the Council for Mutual Economic Assistance and the Republic of Finland of a similar document for foreign trade operations between the corresponding organizations of the CEMA member countries and the firms of Finland. Of course, in their nature the General Terms of Deliveries of Goods Between CEMA and Finland differ from the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries, since the former are used (in full or in part) only if an understanding on this has been reached between the parties.

By having elaborated the General Terms of Deliveries of Goods Between the Foreign Trade Organizations of the CEMA Member Countries, the fraternal countries created an important tool, which not only promotes the development of reciprocal trade, but is also an example for the regulation of foreign trade questions between the organizations and firms of states of the different socioeconomic systems.

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USSR-CEMA TRADE

LEGAL BASIS FOR CEMA SCIENTIFIC, TECHNICAL COOPERATION DETAILED

Moscow EKONOMICHESKIYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) pp 66-69

[Article by Professor Mark Boguslavskiy, the Institute of State and Law of the USSR Academy of Sciences: "Legal Questions of Scientific and Technical Cooperation"]

[Text] The CPSU and the other Communist and Workers' Parties of the fraternal countries regard the combination of the latest achievements of the scientific and technical revolution with the advantages of the socialist system as a historical task. They have adopted the policy to turn the coming two five-year plans into a period of the intensive production, scientific and technical cooperation of the socialist countries.

The cooperation of the CEMA member countries in the area of science and technology is developing successfully. More than 3,000 scientific research and planning and design organizations and higher educational institutions are taking part in it. The ties of science with production both in each country and within CEMA are being strengthened. In intensifying scientific and technical cooperation, the socialist countries are proceeding from the need for the assurance by collective efforts of their technical and economic invulnerability.

The CEMA member countries are faced with the task of the thorough reorganization of the structure of social production on an advanced scientific and technical basis with allowance made for the mutual complementariness of their economies. Under present conditions the concentration of forces on the main directions of scientific and technical progress and the development of energy-, material- and labor-saving technology and means of automation and mechanization on the basis of the latest achievements of electronics are a matter of paramount importance. General agreements on cooperation in the development, production and use of microprocessors, as well as in the development and organization of the specialized and cooperated production of industrial robots were signed during the 36th meeting of the CEMA Session. Their implementation will promote the retooling of the national economy of the CEMA member countries and the automation of production processes in industry and agriculture and will make it possible to decrease the use of manual labor and to save energy, raw materials and materials.

The intensification of cooperation is increasing the role of legal norms, methods and means. Let us examine several problems of the legal regulation of the scientific and technical cooperation of the fraternal countries at the present stage, and first of all its contract law mechanism on the basis of the generalization of the work being performed in the CEMA Conference on Legal Questions.

First of all we should dwell on the development of the system of model (standard) contracts. It is of great practical importance due to the complexity of the subject of contractual relations, the inapplicability owing to the specific nature of the relations of the conventional designs of the contract of sale, the contract and others. Moreover, the absence in most instances of national legal regulation has the result that in this area of relations the use of the conflict method is ineffective. As a result in case of the conclusion of specific contracts difficulties arise, the negotiation process is drawn out, a number of issues remain in disagreement, giving rise to difficulties when accomplishing them.

The legal regulation of scientific and technical cooperation is less developed than, for example, that of foreign trade relations. It is at a different stage, which is much less perfect in the legal and technical respect. For a long time now such a multilateral act as the General Terms of Deliveries of Goods Between the Organizations of the CEMA Member Countries (1968/1975, in the wording of 1979) has been used in foreign trade. They establish the specific material and legal norms, which are applied to all the contracts which are concluded between the corresponding organizations of the CEMA member countries. The CEMA General Terms of Installation (1973) are used when providing assistance in the construction of enterprises and the adjustment of equipment which is delivered from another country. The General Terms in the Area of the Specialization and Cooperation of Production were drawn up in 1979. They all contain uniform rules.

The elaboration of legal norms and conditions of the carrying out of cooperation, particularly in the area of scientific and technical research, including the transfer and use of scientific and technical documents and information, is envisaged in the Comprehensive Program. These standard documents will be drawn up in case of the conclusion between the countries of the corresponding agreements or by the adoption by the countries of the recommendations of CEMA organs. Further in the Comprehensive Program along with the improvement of the existing General Terms of deliveries of goods, installation and maintenance it is envisaged that the CEMA member countries "will as needed draw up uniform standard documents on questions of economic, scientific and technical cooperation, including on the performance of scientific research, planning and design and planning work. They will also draw up standard agreements (contracts)."

Thus, the development of standard contracts is in full accord with the tasks posed by the Comprehensive Program. The acts are not of an obligatory nature, they are used at the discretion of the parties and are of a suggested nature.

A large number of contracts of this type have been prepared within CEMA organs on the basis of the generalization of the practical experience of cooperation. The Model License Contracts for use by the corresponding organs and organizations of the CEMA member countries at their discretion were approved in 1974

by the CEMA Conference on Legal Questions. These are model license contracts of a general type, on the transfer of know-how and on the free transfer of scientific and technical results.

In 1975 the conference approved the Model Terms of Contracts on the Performance of Scientific Research, Planning and Design and Experimental Work on the Basis of Cooperation and the Model Contract on the Performance of Work on the Basis of Cooperation, which were prepared by the corresponding work group of this conference. The Model Contract for the Performance of Scientific Research, Planning and Design and Experimental Work in Accordance With the Order (November 1982) was also drawn up.

For the purposes of the uniform settlement of questions of the liability of the parties the conference approved in December 1981 the Model Regulations on the Material Liability of Organizations on Contracts in the Area of Scientific and Technical Cooperation.

Thus, the system of model contracts encompasses all the basic types of contractual relations in the area of scientific and technical cooperation: on the order for the performance of work, on the transfer of its results, which were obtained by one party, to the other party and, finally, on the joint performance of the work (on the basis of cooperation). These acts concern the organizational forms of joint research. Model agreements and contracts on the setting up of a temporary international scientific and technical collective, as well as a joint laboratory (department) have been prepared within CEMA. The elaboration of systems of model agreements (contracts) and model statutes (charters) has justified itself. They have simplified the conclusion of specific contracts. The specific nature, which is characteristic of each type of contractual relations in the area of scientific and technical cooperation, has been identified owing to them.

However, it is in no way possible to regard the task of creating a contract law mechanism of scientific and technical cooperation as having been accomplished. Specialists of the GDR have correctly noted that the international regulation of the corresponding relations (particularly with regard to cooperation) can be set up in the future only on the basis of the use of model contracts and their specification.

We should also dwell on the possibilities of the preparation and adoption of a document like the general terms. The prerequisites for this have already been created owing to the use of a number of multilateral and bilateral acts, as well as the drawing up of the above-examined model contracts and statutes.

Of the prevailing multilateral acts the Organizational Methods, Economic and Legal Principles of the Scientific and Technical Cooperation of the CEMA Member Countries and the Activity of CEMA Organs in This Area are the main ones. This document was prepared by the CEMA Committee for Cooperation in Scientific and Technical Research and was approved by the CEMA Executive Committee in 1972. It was drawn up in conformity with the Comprehensive Program and covers a wide range of problems: the holding of joint consultations on the basic directions of scientific and technical policy and scientific and technical forecasting, the planning of multilateral cooperation, the basic forms of cooperation in

the conducting of scientific and technical research, questions of financing, the terms of the transfer of scientific and technical results and their use and others. However, it is a question precisely of the basic statutes on each of these questions, and not of detailed regulation. The document is to a significant extent of an organizational methods nature. With regard to a number of questions there are only reference rules, for example, with respect to the legal protection of inventions and discoveries. It represents the qualified recommendation of CEMA for the countries of the community, which are cooperating in science and technology.

Among the bilateral acts one should first of all single out the General Terms of the Carrying Out of Scientific and Technical Cooperation, which were approved by intergovernmental mixed commissions for economic, scientific and technical cooperation. These terms concern several questions and cannot cover the entire range of contracts in this area and the agreements on the setting up of international scientific organizations.

In case of the further improvement of legal regulation in the sphere in question one should proceed both from the general instructions of the Comprehensive Program (Section 15) and from the specific interests and needs of scientific and technical cooperation.

One of the basic tasks, as is indicated in the Comprehensive Program, is "the development of a general legal regime, which provides the most favorable legal conditions for the intensification and improvement of cooperation and the development of socialist economic integration." As the practical experience of deliveries, as well as the specialization and cooperation of production has shown, such a uniform legal regime can best be ensured by the formulation of a document like the General Terms of Deliveries.

The drawing up and adoption by CEMA organs of such a document is of particular importance, since the effective role of the contractual form is increasing.

These general terms should be of the same standard nature as the previously adopted General Terms of Deliveries and acts similar to them and should include uniform legal norms, regardless of whether they will be by their nature imperative or dispositive. The proposed General Terms of Scientific and Technical Cooperation could contain norms, which regulate relations both on the interstate (interdepartmental) level and on the level of economic organizations (foreign trade, scientific research). Let us recall that both norms are included in the organizational methods document which is presently in effect. In this case it would be necessary to place in the general terms a regulation on the liability of the states (or to give reference to a regulation of this sort) and a regulation on the liability of the economic organizations.

A different version of the General Terms of Scientific and Technical Cooperation, which is applicable to similar legal regulations, is more preferable. What is meant is the formulation of general terms only for civil law contracts. It would be possible to call such a document the General Terms of the Performance of Scientific Research, Planning and Design and Experimental Work.

Such general terms should, in our opinion, cover the entire set of legal questions of scientific and technical cooperation and at the same time be connected fundamentally with the entire system of model agreements (contracts) and model statutes (charters).

Our suggestion reduces to the fact that on the basis of the organizational methods document, which is now in effect, another two would be drawn up: one is of a legal nature like the general terms and the other is a methods document, which contains instructions on the conducting of research. The development of the general terms does not rule out, as has already been noted, the preservation of the system of model contracts.

The most important fundamental features of the model contracts, in exactly the same way as the model statutes, will be realized uniformly and comprehensively in the general terms. Statutes on the legal protection of scientific and technical results and their use and on the material liability of the parties should be included in the basic sections (as applied to all the types of contracts and the organizational forms of cooperation).

The further broadening and intensification of scientific and technical cooperation and the implementation of the Comprehensive Program are inseparably connected with the development of their organizational legal forms and with the improvement of the legal mechanism. This requires the setting up of special legal regulation, which differs from the regulation of the corresponding relations in each country. In this case the comprehensive nature of the relations being regulated, which combine fundamentally the planning and the cost accounting methods, should receive adequate reflection. Various subjects at the level of the relations both between the states and between scientific research economic organizations participate in these relations.

For the purpose of improving the contract law mechanism one should pose the question of the legal means of the application of the goal program methods at the interstate level.

The experience of the implementation of long-term goal programs of cooperation has clearly shown, what an important role comprehensiveness plays in the implementation of the measures envisaged by them. A certain gap, which exists between scientific and technical cooperation and economic cooperation, has come to light. The comprehensive nature of cooperation and the realization of the cycle of science - technology - production - marketing should be backed by not only economic, but also organizational legal methods. The problem of a comprehensive approach in this area goes far beyond the implementation of the long-term goal programs of cooperation. The practical experience of scientific and technical cooperation on the basis of various intergovernmental and interdepartmental agreements has shown that they do not fully promote the introduction of the obtained results. These agreements are usually confined to the obligations of the parties to elaborate suggestions on the use of the results or provide for the possibility of the conclusion of the corresponding contracts in the future.

The introduction of the results, which have been achieved during cooperation, continues to remain a bottleneck. Soviet economists A. N. Bykov and D. A. Lebin

cite in confirmation of this thesis the following example, which was taken from the practical experience of the CSSR: in 1979 only 8.5 percent of the contracts on scientific and technical cooperation of organizations of the CSSR with other organizations of the remaining CEMA member countries could develop into contracts on the international specialization and cooperation of production.<sup>1</sup>

The elimination of the gap between scientific and technical cooperation and economic cooperation and the changeover to comprehensive forms of the regulation of all stages of cooperation are of great importance. Attention is directed to the inadequate coordination of scientific and technical cooperation with the specialization and cooperation of production in the Basic Directions of the Further Improvement of the Multilateral Cooperation of the CEMA Member Countries, which were adopted at the 32d meeting of the CEMA Session. The Executive Committee of the council at the 101st meeting commissioned the CEMA organs to examine the question of the possibility of combining the agreements on scientific and technical cooperation and the contracts on the specialization and cooperation of production, which are related with them.

In recent times the CEMA member countries have begun to use comprehensive intergovernmental agreements, in which the task is posed to unite into a single system the stages of scientific and technical development and production. Among them are the agreements on the development and production of equipment for nuclear electric power stations, industrial robots, as well as microprocessor equipment. Although these agreements cover only individual, most important problems of science and technology, they show one of the possible means of the contractual solution of this serious problem. The significance of comprehensive agreements consists in the fact that they legally sanction the obligations of the parties, ensuring the continuous nature of cooperation.

Of course, the legal regulation and contractual registration of relations should be carried out in conformity with the basic CEMA documents, which specify their principles, goals, directions and tasks, as well as the methods and forms of their development and extension. The interaction, which arises in the cycle of science - technology - production - marketing, should be legalized by the system of interstate agreements and civil law contracts.

Different versions of the system of contractual ties, which cover all these relations in combination, for example, the conclusion of a general intergovernmental agreement and on its basis of several intergovernmental agreements on specific directions of cooperation, are possible. Or there is another version, in case of which the intergovernmental agreement will be combined with the interdepartmental agreements which have been concluded on its basis. In some instances only an intergovernmental or an interdepartmental agreement can be signed. Their choice depends on the nature of the subject of the agreement, the settlement of questions, the system of management of the national economy in the partner countries and a large number of other factors.

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1. A. N. Bykov and D. A. Lebin, "Sotsialisticheskaya integratsiya i nauchno-tehnicheskaya revolyutsiya" [Socialist Integration and the Scientific and Technical Revolution], Moscow, Nauka, 1981, p 175.

In the intergovernmental agreements it is expedient to envisage the obligations, the fulfillment of which requires the taking of governmental steps; the measures, which affect several sectors of the national economy, as well as the questions, which on the suggestion of if only one of the participants in cooperation should be settled on the intergovernmental level.

As to civil law contracts, the drawing up of a model multilateral civil law contract seems advisable.

The formulation of such a contract, which encompasses in combination cooperation in science, technology and production, is called upon to accomplish by legal means the important task of combining science with production.

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USSR-CEMA TRADE

TRANSFERABLE ROUBLE PRAISED AS AID TO CEMA ECONOMIC DEVELOPMENT

Moscow MOSCOW NEWS in English No 4, 5-12 Feb 84 (signed to press 24 Jan 84)  
p 5

[Yuri Konstantinov, head of the currency-finance department of the CEMA Secretariat, interviewed by Yuri Sinyakov: "Collective Currency"--date and place of interview not given]

[Text] [Question] What are the basic features of the CEMA countries' currency policy?

[Answer] Currency policy is a component part of the economic policy of socialist states. The specific aims of this policy are attained by means of the rate of exchange, international credit and interest rates. In this way it is possible, for example, to provide favourable conditions for realizing economic projects envisaged by the overall foreign policy strategy of the socialist states and for attracting foreign currency.

One expression of the agreed currency policy is the multilateral system of clearing and crediting in transferable roubles set up two decades ago.

The 'Gold Instrument' Is No Good

[Question] The experience of the Western currency system, founded at Bretton Woods (1944) was rejected. For what reasons?

[Answer] It will be recalled that at that time the Bretton Woods currency system was based on two standards: gold as the actual world money and the national currency of the USA as the hybrid of credit and paper money.

Why, for example, didn't we borrow the "gold instrument"? There was absolutely no need for it--mutual cooperation between the CEMA countries is carried out on a solidly planned foundation, which is why mutual payments on the whole can be balanced by goods deliveries.

As for the dollar, its use in the CEMA countries' clearing-crediting mechanism would enter into contradiction with the nature of socialist production relations, with the currency policy of the countries whose economic ties rest on the principles of comradeship and mutual assistance.

Indeed: joint activity along planned lines, on the one hand, and an instrument of market spontaneity, on the other. The use of the dollar would hamper realization of the requirements of the law of balanced, proportionate development of the CEMA countries.

#### The Greedy Dollar

[Question] And so, has experience borne out the correctness of this decision?

[Answer] Beyond all doubt. At present, nothing has actually remained from the Bretton Woods system. The US dollar is no longer exchanged for gold, with "floating" rates having been introduced, and the parity rates of exchange have lost their practical significance. In short, all the fundamental conditions of the Bretton Woods agreement are a thing of the past. The last and most important thing is that the US dollar has entered into a glaring contradiction with the international character of world economic ties.

[Question] What specifically is this contradiction manifested in?

[Answer] Owing to the fact that the US dollar has the status of reserve and clearing money, the United States is in a position to pay for the imported goods and services not with real material values but with its own paper currency. In the same way the USA pays for its vast overseas expenditures, including the construction and maintenance of military bases. By accepting dollars in payment, the other capitalist countries in effect grant the USA unlimited and interest-free credit, enabling Washington to cover the growing balance of payments deficit, thereby financing the military-political and economic expansion of the USA. Moreover, the movement of the dollar rate by leaps and bounds, caused by the aggravation of the economic and financial position of the USA, directly affects the economy of capitalist and developing countries. In solving one currency problem or another, the present Washington administration is guided solely by the interests of its domestic market, sort of forgetting all about the international status of its currency, the sum of which on the world currency markets exceeded one trillion dollars.

Now the United States, interested in the influx of foreign capital from West European countries to finance, among other things, the huge deficit of the state budget, needs a "strong" dollar. With this aim in view, the Reagan administration has embarked upon the policy of artificially overstating the exchange rate of its currency. At the same time, the Federal reserve system began to raise the interest rate. This brought about an inflow of capital to the USA from other countries--something the administration wanted to achieve. In 1982 alone, the import of capital to the USA amounted to 42,000 million dollars. As a result, the USA has stood to gain, but the mechanism of international clearings in the framework of the capitalist currency system was thrown into disarray. And not only the mechanism. The amount of investments in Western Europe is dwindling, economic development is retarded, unemployment, which has already hit the

12 million mark, is on the rise, and social programmes are being cut. This is admitted today by prominent statesmen and politicians in the West. Thus, Prime Minister Margaret Thatcher of Britain has said that the huge deficits in the US budget keep interest rates up on a high level, greatly damaging both Britain and other European nations, and in fact depriving them of the necessary investments as a result of the leakage of capital to the USA.

But Why the Rouble?

[Question] Let's return to the currency of the CEMA countries. Why is it called collective?

[Answer] The multilateral system of clearings was worked out with an eye to the nature of the international production relations under socialism, the character of the socialist states' currency policy, and the objective conditions of mutual economic cooperation. The financiers of the CEMA countries deliberately wanted to create a currency which, by its socio-economic content and juridical status for each of the countries, would be neither national nor supranational, but international and collective. This is how the transferable rouble came into being.

The transferable rouble differs in its economic substances from the Soviet rouble, as well as from other national currencies--the Bulgarian lev, the Cuban peso, the Czechoslovak koruna, the GDR mark, the Hungarian forint, the Mongolian tugrik, the Polish zloty, the Romanian leu, and the Vietnamese dong. It is only used to settle international accounts. Its purchasing power is determined by the level of foreign-trade prices on the international market of the CEMA countries, not by internal prices. The issuance of transferable roubles is carried out by an international crediting institution in accordance with the requirements of the payments turnover. None of the CEMA countries possesses this right.

[Question] But still, why the rouble, and not the lev or the forint?

[Answer] In principle, the CEMA countries' currency could be called the "transferable lev", the "transferable forint", and so on. Preference was given to its present name probably because prior to 1963 the Soviet rouble was the currency used in mutual clearing operations between the CEMA countries.

At that time these operations were carried out, as a rule, on a bilateral basis and on the principle that the yearly export of one country to another must equal its import from that country. In other words, a country could use the revenue received from the sale of goods solely in payment for the commodities supplied by the same partner.

One Country--One Vote

[Question] And now?

[Answer] The system of clearings now in use enables every country to freely use the funds belonging to it for payments to any other country taking part

in this system. Just imagine: Hungary, for instance, supplied Ikarus buses to Poland. With the revenue thus earned, Hungarian foreign-trade organizations can buy machine tools in Czechoslovakia. At the same time, Czechoslovakia can buy sugar in Cuba with these transferable roubles, and the latter in turn can make purchases in Hungary. The deal having been made, IBEC settles mutual payments; the funds are transferred from the current bank account of one member-country to that of another.

Consequently, the transferable rouble is a means of cash clearings based on the principle of transferability of currency. At the same time, in the course of multilateral clearing operations, the transferable rouble is being converted into national currencies of the CEMA member-countries. Thus, if the Bulgarian Foreign-Trade Bank received through IBEC a certain sum from the Polish Bank Handlowy (Trade Bank) as payment for the Bulgarian export, it will pay an equivalent sum in leva to the foreign-trade business (exporter) of its country. On the other hand, the Polish Bank Handlowy will demand an equivalent sum in Polish zlotys from its country's importer. The rates of exchange by which transferable roubles are converted into national currencies in the case of such payments are fixed by the central banks of the CEMA member-countries.

I shall add that any question pertaining to this currency is decided collectively by all CEMA members represented on the IBEC Council--the supreme agency of this Bank. Moreover, each country, regardless of its economic potential and the sum of its contribution to authorized capital, has one vote in the Council. That is why Mongolia, whose share in IBEC's authorized capital amounts to a mere 1 per cent, and the Soviet Union (38 per cent) have equal rights.

[Question] What cash functions in general does the transferable rouble perform?

[Answer] Having no banknote expression but being an international currency, it fulfills the main cash functions as the measure of cost and means of payment and accumulation. This also determines the spheres of its utilization. It can be said that there is practically no sphere of mutual economic, scientific and technical cooperation of the CEMA member-countries in which the transferable rouble could not be used. Transferable roubles are used in foreign-trade and crediting operations; payment for mutual services, including transport, insurance and tourism; compensation for mutual expenses in joint construction projects; and the upkeep of international businesses and organizations.

[Question] The prices used in trade between CEMA countries are fixed on the basis of prices on the world trade markets. However, these markets are subjected to constant currency upheavals. Do those crises tell on the transferable rouble?

[Answer] In fixing contract prices for trade between CEMA countries, the prices of the world market are kept out of its situational influences and remain stable during the year. Of course, the purchasing power of the

transferable rouble may be lowered if contract prices go up. However, this lowering is not a sign of its inflationary depreciation, since the issuance of transferable roubles, being a plan-governed process, precludes the possibility of surplus money being floated.

In general, it is totally meaningless to measure the transferable rouble using the yardsticks of capitalist currencies. It has its own action mechanism. It is a currency of a planned economy, a component part of the economic mechanism controlling socialist economic integration.

[Question] Do any contradictions arise between socialist countries using the collective currency?

[Answer] They may arise, but, of course, they are non-antagonistic. Each country, being the owner of all the wealth of the nation, naturally strives to add more currency reserves to its national cashbox and thereby replenish its national wealth. The socialist states jointly solve the problems cropping up in the course of using the collective currency, finding by common effort the ways for a more rational, harmonious combination of the interests of each country and the socialist community as a whole.

#### Plus Credit on Easy Terms

[Question] Let us briefly sum up the results of the two decades of the transferable rouble.

[Answer] During these years, the volume of clearing operations done by the International Bank for Economic Cooperation has exceeded 1,400,000 million transferable roubles, while the sum of bank credits has reached 100,000 million.

The experience of the two decades shows that all countries have had recourse to IBEC credits at different times and in different ways. The Bank's history has not seen a situation where some countries would act solely as debtors for a long time, while others would be solely the owners of the resources.

In the Bank's credit policy there is no room for discrimination and infringement on anyone's rights. This runs counter both to the essence of international cooperation within the CEMA framework and to the letter of the IBEC rules. The recipients of credits are given no terms which might affect the country's sovereignty and political line. The authorized banks of socialist countries asking for credits are not obliged to give IBEC any information about their economic and financial position, the state of currency reserves and other information infringing on state sovereignty.

The mechanism of the functioning of the transferable rouble is actively used to solve the important social and political task of gradually drawing economic development levels together. Thus, unlike the European IBEC member-countries, which use credits at 2 to 5 per cent per annum, Vietnam, Mongolia and Cuba are given them on easy terms--at 0.5 to 2 per cent.

This is the expression of the socialist character of the CEMA member-countries' currency policy. As one of the most important instruments of this policy, the transferable rouble assists the growth of the economic might of all members of the community.

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USSR-CEMA TRADE

PROBLEMS WITH COMMODITY, MONETARY CONTROLS IN PROMOTING CEMA INTEGRATION

Moscow PLANOVYE KHOZYAYSTVO in Russian No 3, Mar 84 (signed to press 21 Feb 84)  
pp 116-120

[Article by Yu. Shirayev, corresponding member of the USSR Academy of Sciences, and N. Bautina, doctor of economic sciences and professor: "Problems of Using Commodity-Monetary Levers in Putting Integration Measures into Effect"]

[Text] Under conditions of extending socialist economic integration, it is necessary to examine problems of efficient economic interaction among CEMA countries in the context of the solution of such tasks of improving socialist economic operation as providing for the shift of the economic system to a path of consistently intensive development, improvement in the efficiency of production, orientation of labor collectives' activity toward achievement of national economic end results, and acceleration of scientific and technical progress and dissemination of its achievements. Under such an approach, the problems related to the organic combination of material-physical and value aspects of collaboration in the field of planned activity and to the utilization of commodity and monetary instruments in the interest of solving diverse tasks coordinated on a multilateral and bilateral basis inevitably become urgent.

The problems of improving commodity-monetary relationships and the basic ways and means of resolving them still remain a subject of lively discussions among economists of CEMA member countries. One of the most important reasons for the presence of various opinions in this field is the inadequate elaboration of certain theoretical problems of the organization and functioning of a socialist international market which conforms to plan, which are related to the nature and conformity to principle of the development of commodity-monetary relationships and their organic inclusion in a system of collaboration in a field of planned activity.

In the current practice of socialist economic operation, commodity-monetary instruments are more fully utilized than in the past, which stimulates their functions and intensifies the necessity of calculating the socioeconomic consequences associated with them. At times this gives rise to the interpretation of commodity-monetary instruments as kinds of "independent" regulators being employed outside the system of national economic planning. The existence of

such interpretations compels us to once again address the problem of the nature of the economic mechanism of socialist reproduction, and of the objectively conditioned method of its functioning, which conforms to plan.<sup>1</sup>

It follows from the very essence of conformity to a plan that it is necessary to distribute the means of production and labor in a proportion which makes it possible to ensure satisfaction of production and personal demands with the most efficient (economical) utilization of all work time which is at the disposal of society as a whole. Distribution of the resource of work time which belongs to the public and provision for the production and personal requirements of society should be carried out with the aid of a measure which is characteristic of it--socially necessary time.

However, in the practice of planned regulation of a socialist economic system, a number of rather complex and deep-seated problems make direct utilization of this natural measure impossible. Socially necessary time assumes an aspect of socially necessary labor inputs, which fulfill the role of a standard with respect to all the amounts and proportions of labor inputs that take shape, by means of using the forms of social value.

Attention should be directed here to the fact that social value appears as a measure of the amount of input of social labor, inasmuch as it reflects incomplete maturity of its directly social nature in a given phase of development of a socialist economic system. In our view, the problem of the immanence or absence of immanence of value for socialism and the discussions relating to it, with all their importance, deviate from the substance of the problem cited. Value as a measure of economic manifestations serves the law of economy of work time, which is, in the expression of K. Marx, the opposite side of conformity to a plan. Under such an approach, value under socialism cannot be considered as something external with respect to conformity to a plan or its exact opposite; it has been "incorporated" in conformity to a plan and together with it constitutes an intrinsically contradictory unity.

Precisely the idea of value as the exact opposite of conformity to a plan has taken the shape, in the final analysis, of certain economists' conceptions which justify the reduction of planning to certain "rules of the game," to regulation of the economy only with the aid of economic levers such as prices, percents, taxes and so forth. This has been reflected in a distorted understanding of the economic mechanism, which includes in itself only an organizational structure and regulators and in such a form supplements, or more accurately, "props up" planning, which is external with respect to the economic mechanism. Similar ideas about the economic mechanism also reflect to some extent the imperfection of centralized plan management, which at times substitutes administration of the strategic directions of economic development with the petty guardianship of everything and everyone, which paralyzes the initiative of labor collectives and every worker.

The concept of the economic mechanism as the sum total of economic regulators, in our view, not only does not correspond to its objective nature, but makes planning pointless, depriving it of economic content and limiting the ability of society to foresee socioeconomic consequences of measures being employed and thereby to manage the economic system in the interests of society.

Conformity to a plan as the method of functioning of socialist public reproduction constitutes the potentiality of carrying out the planned economic activity of society on the scale of the entire national economy, that is, the planned conduct of economic affairs and the inclusion of partial (enterprise, sector) results in the sum total of results of society.

With regard to the law of value, voluminous literature is available on its nature and functions which tells of the great number of diverse viewpoints. Without becoming involved in a discussion of the nature of the law and its functions, let us note that the law of value does not have a self-contained meaning in socialist economics, but serves the method conforming to a plan of commensuration of labor inputs and of reduction of collective (individual) inputs to those that are socially necessary.

Value relationships, which on the surface of economic practice assume the aspect of commodity-monetary relationships, are not confined by the law of value. It is not their sole regulator for the simple reason that under socialism, the value relationships, as a definite aspect of the movement of material wealth and services, are regulated as a whole by society on a planned basis.

The specific form in which value relationships are manifested in the movement of commodities and money gives concrete expression to manifestation of the law of value itself. We would like to direct attention to the fact that the concept of the universality of the law of value, including under the conditions of socialism, which is expressed in the spreading of its "regulating" characteristics not only to the process of forming socially necessary labor inputs, but to the process of interaction of commodity and paper money and credit turnover, has been sufficiently propagated. As is well known, K. Marx, in analyzing the movement of commodities under the conditions of paper money circulation, directed attention especially to the specifics of laws of the latter which, in his expression, are directly opposite to the laws of gold circulation.<sup>2</sup>

The overcoming of oversimplified or one-sided approaches to problems of the plan and the market in a socialist economic system has a direct relationship to resolution of problems of international economic collaboration as well. The increase in scale and complexity of the forms of economic interrelationships and the consolidation of mutual collaboration for efficient, dynamic and balanced development of national economic systems increase the requirements for economic calculation and analysis and the ensuring of conformity to a plan in the movement of commodity and monetary flows. This in turn leads to an increase in the overall system of integration collaboration among CEMA member countries of the role of instruments such as prices, credit, a mutual accounting system, rates of exchange, and conditions for the supply of goods and services, including effective sanctions for nonobservance of these conditions.

Practice demonstrates that the commodity-monetary instruments of the planned mechanism of socialist economic integration cannot be considered as peripheral and secondary. Their valuable utilization in the process of extending mutual collaboration contributes to an increase in its effectiveness in the field of planned activity and reinforcement of those plan principles on which the multifaceted interaction of the countries of socialism is based.

Purposeful improvement of these instruments will make it possible to more actively employ them in resolving the main socioeconomic problems for consistent orientation of mutual collaboration toward acceleration of scientific and technical progress and introduction of the results of NIOKRR [scientific research and experimental design operations] into production; to provide for the internal and external balancing of national economic systems; to consolidate the technical and economic independence of socialist countries; to increase the degree of efficiency and mutual benefit in the division of labor for all its participants; and to reinforce their motivation for collaboration.

It appears that the position set forth by Yu. V. Andropov also is applicable to collaboration among CEMA member countries: "The interests of society as a whole are the most important reference point for development of an economic system which rests upon socialist ownership. But it does not follow from this, of course, that in the name of the concept of the common good socialism suppresses or disregards personal and local interests and the specific demands of different social groups. Not at all. 'An "idea",' as Marx and Engels emphasized, 'invariably has disgraced itself as soon as it has been separated from an "interest" (K. Marx and F. Engels, "Works," Vol 2, p 89).' One of the most important tasks in perfecting our national economic mechanism consists of the provision of an accurate accounting of these interests as well..."<sup>3</sup>

The formation of a set of commodity and monetary instruments adequate for the requirements to develop a new type of international division of labor in conformity with a plan, naturally, is a complicated task which is resolved in stages, to the extent that the necessary material prerequisites are created, experience is accumulated, and national economic mechanisms are perfected.

For many years there has been keen discussion in the economic literature about the necessary correlation of planned and market instruments of management, both within states and on an international scale. In our view, it at times deviates from the theory of value and relates to the theory of socialist development as a whole.

Inasmuch as this is far from a new problem, we will touch upon only certain aspects of it. The economic interrelationships of states with a planned economic system are regulated primarily with the aid of the sum total of forms of collaboration in the field of planned activity. From this point of view, even a definite naturalization of one proportion or another of mutual exchange (for example, under conditions in which cooperative and other forms of production ties are developed) begins to reflect to an ever greater extent THE REAL DIRECTLY SOCIAL LINK between partners for collaboration, and to appear as a distinctly expressed (and materialized in substantive form), regulated and regular social relationship.

This process represents the material embodiment of the fundamental trend which lies in the fact that "the development of the social productive force of labor presupposes cooperation on a large scale, that only with this prerequisite can the division and combination of labor be organized and the means of production be economized, owing to mass concentration, and the means of labor such as a system of machines and so forth, for example, which are only suitable in combination, be called into being, and the colossal forces of nature can be placed at the service of production, and the process of production can be transformed into a technological application of science."<sup>4</sup>

The system of economic relationships among socialist states, on the one hand, is characterized on the whole by a higher degree of maturity of socialism than in each one of these countries, which is related to the realization of its international nature. On the other hand, in the scale of socialist collaboration, the relationships of public ownership, socialization, conformity to a plan, and a number other aspects of socialist economic operation have a lesser degree of maturity. In the area cited, the contradiction of conformity to a plan and value relationships, which acquire other forms of expression and consequently, presuppose other forms of solution, is manifested more prominently.

In this connection, it is important to direct attention to the content of the equivalent exchange of commodities and services in the international market by CEMA member countries. The content of equivalence consists of the exchange of commodities and services which reflect the national socially necessary inputs with the aid of their reduction to international socially necessary inputs. International socially necessary inputs in the CEMA international market are formed in a definite way and under the influence of world commodity markets and the world capitalist economy ("external environment"), which, through the system of their value relationships, influence to one extent or another the set of commodity-monetary instruments in individual socialist countries. The degree of such influence is especially great when commodity-monetary relations between one socialist country or another and the capitalist economic system are developed into institutionally shaped limits or have been complicated by the necessity of servicing a large foreign indebtedness in converted currency. By not exerting direct definite influence for the present on the formation of national socially necessary inputs, the international socially necessary inputs of the CEMA market appear in modified fashion in the form of contract prices, having an effect on the overall characteristics of the condition of the countries' economic system (national income, efficiency and balance of foreign trade).

Commodity-monetary relationships play an unequal role in the systems of the economic mechanisms of different socialist countries. Regardless of the specific conditions for the emergence of such differences, (the striving to utilize value regulators to the maximum extent as the basic means of ensuring balance in the economic system and intensification of production, the presence of steady traditions of individual economic operation among parts of the population, and the like), they represent an objective reality, and in a number of cases an ideological reality as well,<sup>5</sup> which has to be taken into account and which complicates the planned utilization of the socialist countries' commodity-monetary instruments of mutual collaboration.

This relates in particular to the employment of commodity-monetary instruments in such forms of international collaboration which directly infringe upon the self-supporting interests of enterprises and associations of participating countries, as well as utilization of the resources of states concerned within the limits of joint enterprises and firms. While on the macroeconomic level the details of individual specific economic measures may be disregarded, for example, on the level of the direct links of enterprises and associations a thorough accounting of specific inputs and results is necessary. An urgent demand is emerging for mechanisms which compensate for the financial losses connected with this or which stipulate the immobilization of incomes which are not an inherent result of the activity of economic organization.

Increasing urgency follows from this for analysis of possible directions to improve commodity-monetary relationships in international ties under conditions in which the forms of collaboration among CEMA member countries are extended and expanded in the production sphere: international specialization, and mainly production cooperation; investment collaboration; international economic organizations; direct ties among associations, enterprises and other economic organizations of the different countries.<sup>6</sup>

As an integral component of the planned economic mechanism of collaboration, the set of commodity-monetary instruments should be implemented without interruption both as functions which have become traditional as well as new functions, in order to correspond to the full extent to the requirements which emerge in a given stage for the development of integration in the sphere of physical production. One of its important functions under current conditions is ensuring the conditions for coordination of investment policy, as well as for putting joint investment programs into effect. Two banks (MBES, MIB [International Bank of Economic Collaboration, International Investment Bank]) have been established by CEMA for this. The international credit granted by them in definite cases becomes an important external factor for debtor countries which provides for expansion or organization of mass production of certain items in the interests of the states of collaboration concerned and for their sale in third countries.

The active role of a set of commodity-monetary instruments in extending collaboration among CEMA countries also should be manifested by means of the assistance of a system of accounting and extension of credit for development of multilateral economic ties. The multilateral nature of accounts is an objective requirement of collaboration related primarily to development of its most extensive integration forms, with the organization of joint enterprises and firms, for example, and with the putting into operation of a number of large projects on a multilateral basis.

The achievement of multilateral status in accounts is a complex problem, the solution of which is predetermined by establishing the necessary prerequisites in the sphere of planning, production and turnover. Implementation of multilateral measures stipulated in the process of collaboration in the field of planned activity presupposes agreement at the same time on mutual deliveries

which result from the various forms of collaboration (this is a compulsory condition for ensuring in the planning stage the multilateral status of economic ties in the production and turnover stage).

The basic prerequisites of a production nature are incorporated by the successful development of such forms of collaboration as multilateral specialization and cooperative production and scientific and technical activity, investment collaboration, the activity of MKhO [international economic organizations], and so forth, which make it possible to improve the countries' structure of production and export and because of this, to eliminate short supplies of a number of commodities in the CEMA member countries' market and to reduce production costs.

The tasks of extending the production collaboration of CEMA member countries presuppose, consequently, the development of the commodity-monetary mechanism in the direction of improvement of its instruments used for commensuration, correlation and evaluation of the inputs and results of participating countries' specific integration measures. Solution of this problem depends to a large extent on reinforcement of the interrelationship of national and international economic mechanisms. Only on such a basis can economic ties be built, in the final analysis, which organically combine self-supporting relationships which are best for each country between industry and foreign trade with economic accounting in international economic relations.

Without laying claim to an exhaustive analysis of the problem stated in the article, let us note in conclusion two points which have substantial methodological importance for its solution in the different stages of development of mutual collaboration and integration of the CEMA countries.

Firstly, it is empirically obvious that a highly complex system of social relationships which serve the development of productive forces cannot objectively dispense with a form of social connection represented by the sum total of commodity-monetary relationships. It is doubtful whether one can conceive, in the present stage, the naturalization of such vital national economic indicators as the correlation of consumption funds and savings funds, the balance of payments and the foreign trade balance, measures of labor and consumption, and the equivalence of foreign economic ties. It is clear that in all these aspects it is necessary not only to take into account, but to actively utilize commodity-monetary instruments in the interests of increasing the effectiveness and efficiency of collaboration in the field of planned activity.

Secondly, by being aware of the objective necessity for commodity-monetary relationships as a subordinate but highly vital form of social communication among socialist countries, we do not have to count once and for all on the accepted solution of the objective contradiction between the plan and the market. It is appropriate to mention here the thesis of K. Marx: "Money itself is a social connection," it "does not tolerate any other social connection above it" and it "inevitably corrupts an existing social connection" where it is not the basis for it.<sup>7</sup>

It is clear from this that the ideas that some kind of universal form of "non-conflicting" development of international planned and commodity-monetary relations could be found are illusory. Apparently, the search for such "nonconflicting" (highly conditional, naturally) forms should be considered as a continuous process having a distinctly expressed specific nature in conformity with the different spheres of economic interaction of the socialist countries. The dissemination of economic and organizational solutions which have proved themselves in practice, taking into account the characteristics and traditions of each of the socialist countries, will undoubtedly contribute to such a search. With these objectives, measures are being worked out which have been aimed at efficiently bringing together national economic mechanisms, which reflects the process of a search for the most efficient methods of resolving complex socioeconomic tasks in conformity with a plan.

The measures undertaken for improvement of economic mechanisms apply to the practice of implementing economic collaboration among CEMA member countries, expanding its opportunities or creating definite complications. The countries' experience includes varied economic measures and organizational forms of foreign economic activity, and the competence of its participants. All this makes it necessary both to bring closer together the foreign economic aspects of national economic mechanisms, as well as to bring about definite improvement in the international mechanism of economic collaboration in the direction of adapting it to overall trends in improving national economic mechanisms.

#### FOOTNOTES

1. Administration of the economic process from a single economic center under conditions of socialist public ownership has been aimed at the priority achievement of unified public interest. A socialist economy can function as such only under the condition of coordinated management of the parts, units and projects which make it up. The objective opportunity to predict the results of the socioeconomic consequences of the interaction of economic units which is incorporated in the nature of public ownership is realized by means of the planned activity of society, which covers all the structural levels of the economic system and reflects the entire system of objective economic laws.
2. In our view, the thorough study of problems connected with the utilization in national economic planning of laws reflecting paper money and credit turnover under socialism is of particular importance. It provides the opportunity to use scientifically substantiated measures to ensure the balancing of the incomes and expenditures of the population.
3. Yu. Andropov, "Ucheniye Karla Marks'a i nekotoryye voprosy sotsialisticheskogo stroitel'stva v SSSR" [The Teaching of Karl Marx and Certain Questions of Socialist Construction in the USSR], Moscow, Politizdat, 1983, p 12.

4. K. Marx and F. Engels, "Sochineniya" [Works], Vol 23, pp 637-638.
5. As noted in the decree of the June (1983) Plenum of the CPSU Central Committee, "consolidation of socialist consciousness is in a stubborn struggle with the relapses of petty bourgeois psychology and with the ideological influence of imperialist propaganda which emerges through various channels in the consciousness of a certain part of the population." "Materialy Plenuma Tsentral'nogo Komiteta KPSS 14-15 iyunya 1983 goda" [Materials of the CPSU Central Committee Plenum, 14-15 June 1983], Moscow, Politizdat, 1983, p 73.
6. The essence of direct production ties under the conditions of large-scale socialist production does not lie, obviously, in the freedom of purchases and sales made by individual enterprises, associations and combines. It is, in fact, a further extension and development of international labor cooperation according to plan. Under current conditions the definition "...the market is a simple expression of the public division of labor..." acquires a more objective, tangible meaning. (V. I. Lenin, "Pol. sobr. soch." [Complete Works], Vol 1 p 96.
7. See K. Marx and F. Engels, op. cit., Vol 46, Part 1, pp 167, 169.

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8936  
CSO: 1825/90

USSR-CEMA TRADE

BRIEFS

MONGOLIAN INDUSTRIAL FACILITIES--Since Mongolia joined CEMA, more than 200 industrial facilities have been built with the assistance of the other fraternal countries, of them more than 100 were built with the technical assistance of the USSR. About 50 percent of the industrial output, including 90 percent of the thermal energy and 97 percent of the electric power, about 90 percent of the flour, 100 percent of the copper and molybdenum concentrate, felt, felt footwear, scoured wool and mixed fodders and nearly 85 percent of the coal, is being produced at the enterprises which were built with its assistance. With the assistance of the other CEMA member countries 34 large projects have been put into operation in Mongolia in the past 10 years. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 44] [COPYRIGHT: Soviet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

CUBAN INDUSTRIAL FACILITIES--In the Republic of Cuba more than 300 industrial facilities have been built and renovated with the assistance of the European CEMA member countries, which has made it possible to set up in the country the output of products of ferrous metallurgy and the processing industry, including machine building, and to increase its energy potential significantly. The majority of these facilities, being the largest in the Republic of Cuba, marked the beginning of the development of new sectors of its national economy. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 44] [COPYRIGHT: Soviet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

SRV INDUSTRIAL DEVELOPMENT--The cooperation of the SRV with the countries of the socialist community in economics is aimed at the accomplishment of the tasks of the industrial development of the SRV, as well as at the creation of the material conditions for the gradual increase of the standard of living of its population. More than 250 projects have been building in the Socialist Republic of Vietnam with the assistance of the CEMA member countries (of them nearly 200 were built with the assistance of the USSR). The share of these enterprises in the total volume of industrial production came for the production of tin, sulfuric acid, superphosphate and coffee to 100 percent, machine tools--82 percent, the mining of coal--89 percent, the generation of electric power--35 percent. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 44] [COPYRIGHT: Soviet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

SRV-USSR COMMODITY TURNOVER--In 1981 the commodity turnover between the SRV and the USSR came to nearly 892 million rubles, while in 1982 it came to 1,011,000,000 rubles. Deliveries of machines and equipment accounted for more than one-third of the Soviet exports to Vietnam during these years. A significant portion of them was sent to projects which are being built in the SRV by the joint efforts of the two countries. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) pp 44-45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

SRV TRADE WITH BULGARIA, CSSR--The foreign trade relations between the SRV and Bulgaria and the SRV and the CSSR are also developing dynamically. Thus, for example, the volume of the reciprocal commodity turnover between them during the current five-year plan will increase as compared with the preceding five-year plan by more than twofold. The coordination of their national economic plans will promote the increase of Vietnamese exports to these countries and the enlargement of their assortment, as well as to the more complete meeting of the needs of the SRV for raw materials, fuel, materials and others. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

SOVIET-BULGARIAN PRODUCTION COOPERATION--Some 36 sectorial programs and a number of agreements have been signed on a bilateral basis to execute the General Plan of Specialization and Cooperation in the Area of Physical Production Between Bulgaria and the USSR to 1990. Bulgaria will produce and export to the USSR products of approximately 250 descriptions, primarily machine building and chemical products. At the same time it will receive from the Soviet Union items of 800 descriptions. The total volume of specialized output within the commodity exchange between the two countries, which is envisaged for the current five-year plan, according to preliminary calculations, will come to about 6.5 billion rubles. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983]

7807

BULGARIAN EQUIPMENT EXPORTS--The trade of Bulgaria in machines and equipment, the export of which to the CEMA member countries in 1982 came to 2.7 billion rubles (more than 54 percent of the total exports to these countries) as compared with 460 million rubles in 1970, is developing at a leading pace. The increase of reciprocal deliveries of machines and equipment will be accomplished by the intensification of the specialization and cooperation of production. At present Bulgaria is taking an active part in the fulfillment of 262 multilateral and bilateral agreements on the specialization and cooperation of production between the fraternal countries. The deliveries of cooperated and specialized products, including 35 percent for the USSR, accounts for about one-third of the commodity turnover. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

HUNGARIAN-SOVIET MOTOR VEHICLE CONTRACT--In conformity with a contract Hungary in 1984 will deliver to the USSR products of the automotive industry: 7,368 buses, various spare parts and electrical equipment for the cooperated production of passenger cars. In turn the USSR will send to Hungary 29,000 passenger cars, including the Lada of different types, the Moskvich and the Volga, more than 4,000 trucks, light, as well as high-power KAMAZ trucks. Cooperation will also be continued on the basis of the agreements on the specialization and cooperation of production, particularly in the output of hydromechanical gear shifts. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

HUNGARIAN INDUSTRY SAVES MATERAILS--According to the estimate of the Hungarian Ministry of Industry, the enterprises of the country are successfully fulfilling the Government Program of the Economical Consumption of Materials. The industrial enterprises of the country, which are subordinate to the ministry, owing to the efficient consumption of materials and the modernization of production technologies have saved materials worth 2.8 billion forints. This means that by the end of 1983 the materials-output ratio will have been decreased on the average by 1 percent. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

ADVANCED CEMENT PRODUCTION METHOD--Within CEMA 26 advanced technologies of the performance of basic construction and installation operations and the production of construction materials and items have been developed on a multi-lateral basis. Thus, the suggestions on technological lines for the production of cement by the dry method were used when designing and constructing the Novokaragandinskiy, Novospasskoye, Navoi and other cement plants. Their efficiency is characterized by a decrease of the consumption of fuel when roasting the clinker by 40 percent as compared with the wet method, which provides a saving of more than 80,000 tons of conventional fuel on the production of 1 million tons of clinker. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

CSSR EQUIPMENT EXPORTS--The proportion of the export of the CSSR, which is being carried out on the basis of multilateral agreements on specialization in the total volume of export of machines and equipment to the CEMA member countries, is increasing systematically. Whereas in 1980 this share accounted for 16.7 percent, in 1982 it came to 20 percent. The largest exports were carried out within the framework of the agreements on the specialization and cooperation of the production of textile machinery, trucks, diesel engines, road construction and agricultural machinery and tractors, seagoing and river ships, machine tools and machines and equipment for the manufacture of plastics. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Soviet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

MONGOLIAN LUMBER INDUSTRY--In the past 10 years a modern, dynamically developing lumber industry has been created in Mongolia with the technical and economic assistance of the Soviet Union. The basis of the timber and woodworking industry of the republic is the logging and woodworking enterprises which were built with the assistance of the Soviet Union and the other socialist countries. The enterprises of Mongolian-Soviet cooperation produce half of the output of the Mongolian Ministry of the Forestry and Woodworking Industry, at these enterprises labor productivity is 1.5-fold higher than on the average for the ministry. They are the vehicles of the introduction in the sector of new equipment, advanced technology and advanced Soviet know-how. [Text] [Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 12, Dec 83 (signed to press 20 Dec 83) p 45] [COPYRIGHT: Soviet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1983] 7807

PARTICIPATION IN LEIPZIG FAIR--The International Leipzig Spring Fair will be held 11-17 March. Z. Fisher, general director of the Leipzig Fairs Administration, reported at a press conference in Moscow that 9,000 firms, enterprises and foreign trade organizations from many countries of the world will participate. Widely represented at the fair will be: metallurgy, heavy machine building, machine tools and instruments, agricultural equipment, electrical engineering and electronics, automation equipment, data-processing equipment and scientific instrument building. Participants and visitors will also be able to familiarize themselves with the various products of chemical and light industry and visit the international book fair. The GDR, the Soviet Union and other CEMA member-countries will demonstrate many new and improved products, including those developed in the process of bilateral and multilateral cooperation within the framework of CEMA. In the USSR's exhibition alone there will be 600 exhibits presented, indicative of the expansion of socialist economic integration. Thirty Soviet foreign-trade organizations, industrial ministries and other organizations are displaying 8,000 types of products from 650,000 production enterprises. Represented in the collective exposition of the USSR will be the Ural Economic Rayon of the RSFSR and the North Osetian ASSR. The following subject exhibitions will be organized: "Friendship and Cooperation between the USSR and the GDR," "Achievements of Soviet Science and Technology" and "The Leninist National Policy in Action." During the running of the fair, a broad exchange of scientific and technical experience is foreseen. Serving this purpose will be special reports, symposiums and other scientific and technical measures, including an international symposium on the subject of "Efficient Construction." [Text] [By I. Mel'nikov] [Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 84 p 21] 12567

UZBEK COTTON-GROWERS IN VIETNAM--In the southern and central provinces of socialist Vietnam work is continuing on developing large state cotton fields. Soviet cotton-grower friends from Uzbekistan are helping the Vietnamese toilers. The first tons of "white gold" have been received at the textile enterprises. By the early 1990's the cotton fields will reach an area of over 30,000 hectares. This will make it possible to make a significant contribution to satisfying the country's raw material needs and to the development of textile industry. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 84 p 21] 12567

CEMA AID TO LDC'S--CEMA countries are making an important contribution to strengthening the economic system of developing nations, writes the TIMES OF INDIA. Between 1970-1981 alone, thanks to the fair trade policy of the socialist countries, goods turnover between CEMA and developing nations increased sixfold--from 5 billion to 30 billion rubles annually. As of the beginning of 1983, over 3,700 industrial and other economic projects were built or under construction in Asia, Africa and Latin America. The greatest contribution to this cooperation based on the principle of equality and mutual benefit, notes the newspaper, is being made by the Soviet Union. About 90 percent of USSR aid to the developing countries goes directly to forming and strengthening their national economic systems. The states of the West exhibit exactly the opposite approach to relations with developing countries. The basic purpose of their "assistance" is the continued robbing of others' natural resources and exploitation of labor resources. Annually, writes the TIMES OF INDIA, industrialized countries "pump out" about \$150 billion in profit from the young nations. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 9, Feb 84 p 24]

12567

CSO: 1825/84

## TRADE WITH INDUSTRIALIZED COUNTRIES

### LEGAL ASPECTS OF FINNISH COOPERATION WITH USSR, CEMA COUNTRIES DETAILED

Moscow KHOZYAYSTVO I PRAVO in Russian No 10, Oct 83 (signed to press 4 Oct 83)  
pp 73-76

[Article by Ye. Aniyants, adviser of the CEMA Institute for Standardization:  
"Scientific and Technical Cooperation Between the CEMA Member Countries and  
Finland"]

[Excerpts] Ten years have passed since the signing on 16 May 1973 of the Agreement Between the Council for Mutual Economic Assistance and the Republic of Finland, the goal of which is the development of multilateral economic, scientific and technical cooperation. The systematic study of the possibilities of its accomplishment is assigned to the Commission, which was formed by the agreement and consists of representatives of the CEMA member countries and Finland. It adopts recommendations, which concern various aspects of cooperation, and decisions on organizational and procedural questions of its activity.

The forms of multilateral scientific and technical cooperation between the CEMA member countries and Finland, which are presently being used, can be combined into three.

The first is the exchange of scientific and technical information and experience of work. It is carried out on the basis of the recommendations of the mentioned commission. The commission usually recommends that the exchange of information and experience of work on specific themes, in which a mutual interest has been identified, be started.

The second form is the participation of Finnish specialists in symposiums, scientific and technical conferences, seminars and meetings, which are being held within CEMA.

Thus, in 1982 specialists of the Republic of Finland took part in the symposiums which were held within CEMA on the themes: "Automation in the Timber and Wood Processing Industry" (CSSR); "The Improvement of Automatic Analyzers and Monitoring Stations" (Hungary).

In individual instances specialists of the CEMA member countries also participate in national symposiums which are held in the Republic of Finland.

The third form--cooperation in the conducting of scientific and technical research--is of the greatest interest for legal analysis.

It begins with the study and discussion as conferences of specialists and meetings of work groups of the suggestions of the CEMA member countries and Finland on a possible theme and at the first stage concludes with the adoption of a recommendation of the commission that the competent organs and organizations (firms) would begin on the basis of the materials prepared within the commission negotiations on the conclusion of agreements on scientific and technical cooperation. The commission specifies the place and time of the conducting of such negotiations, with which, in essence, the second stage of cooperation begins.

On 1 July 1983 on the recommendation of the commission more than 30 multilateral agreements on scientific and technical cooperation were concluded between organizations of the CEMA member countries and Finland. Among the concluded agreements more than half are in the area of machine building and the pulp and paper industry, several are in the area of environmental protection and so on.

Cooperation in the conducting of scientific research work is envisaged in the majority of agreements. The goals and anticipated results of the research are recorded, the division of labor among the cooperating organizations on the basis of the agreed theme (plan) and the coordination of this research by stages and periods are envisaged, the conditions of financing and the use of the results are established and so on.

The agreements concluded with Finnish firms are by their nature civil law, and not international law agreements. The fact that on the part of the CEMA member countries ministries at times take part in them, does not change matters.

Economic organizations (firms) always act as the parties to the agreements on cooperation in the conducting of scientific and technical research from the Republic of Finland. One of the peculiarities of Finnish scientific policy, President of the Finnish Academy of Sciences (H. Gullenberg) noted, is the fact that state organs cannot conclude agreements on scientific and technical cooperation, which affect the interests of the private sector. In such cases the organs, which represent the state in case of the conclusion of international agreements on scientific and technical cooperation, make arrangements in general terms about the recommendations, leaving the specific content of the agreement to the actual performer, that is, the state or private institution.<sup>1</sup>

The CEMA member countries when specifying the parties to the agreement base themselves on the fact that the organs and organizations, which are competent in conformity with national legislation to conclude such agreements, can be them. In practice economic and scientific organizations and only in some instances ministries and departments, as a rule, enter into agreements with Finnish partners.

1.. "Opyt sotrudnichestva stran-chlenov SEV i Finlyandskoy Respubliki v oblasti nauki i tekhniki" [The Experience of the Cooperation of CEMA Member Countries and the Republic of Finland in the Area of Science and Technology], Moscow, 1976, p 32.

As to the Soviet Union, it seems advisable also to accept in multilateral cooperation the practice, which has formed in recent years in bilateral relations with Finnish firms and according to which from the USSR the administrations of all-union industrial associations, to which the scientific research organizations, which directly perform the research, are subordinate, act as the party to the agreements on scientific and technical cooperation.

The administrations of all-union industrial associations, as is known, have been granted the right with the permission of the appropriate USSR ministries (departments) and in consultation with the USSR State Committee for Science and Technology to conduct scientific and technical relations with foreign organizations and to conclude agreements with them on the conducting of scientific research work.

The administrations, being legal entities, act in a dual capacity: as an organ of management of the middle level and as an independent economic organization, which presumes the possibility of their entering in accordance with established procedure into foreign economic relations on their own behalf on the basis of civil law.

At present the practice of Soviet-Finnish cooperation is forming in such a way that the agreements, which are based on the principles of so-called joint or proportionate financing and are accompanied by mutual financial obligations, are concluded with the participation of competent foreign trade organizations, and first of all the Vneshtekhnika All-Union Association. However, as a rule, direct relations are conducted with Finnish firms. The multilateral agreements on cooperation in the conducting of scientific and technical research, which are concluded with them in accordance with the recommendations of the Commission on Cooperation of CEMA and the Republic of Finland, in all cases without exception envisage separate financing, when each party bears completely at its own expense the costs on the assumed scientific research work and carries it out on its own.

It seems that on the basis of the principle of the financing of research, which is established in the agreements with firms of Finland, the results of the work, which were achieved by each of the parties, should be recognized as belonging precisely to this party and as a result it has the right use the result without any restrictions. This will signify, in particular, that the party to the agreement--the economic organization--to which the scientific and technical result belongs, has the right to transfer it for use on the territory of its country to any other organizations. What has been stated is especially important for the CEMA member states, in which, except for Hungary and Poland, there is no exclusive right of any organization to the results of scientific work.

As to the conditions of the mutual transfer of scientific and technical results and their use, in our opinion, this question should be settled in an individualized manner. Scientific and technical results are knowledge of the most diverse nature and content, the legal regime of which is different, especially knowledge which appears as objects of industrial or intellectual property. The peculiarities of the legal regime of individual types of knowledge have a substantial influence on the conditions of the exchange of scientific and technical results.

In this connection it seems expedient to divide scientific and technical results into three groups: the results, which contain inventions which are protected by protective documents or with respect to which applications have been submitted (it is also possible to include in this group the results which are protected by copyright); "know-how"; other scientific results, and to record in detail in the agreements the principles of the transfer and use of each of these groups of results.

The results of 10 years show that the concluded agreements on cooperation in the conducting of scientific research work as a whole are being fulfilled successfully.

As was noted in the reports of the countries, the scientific and technical research, which was conducted on a multilateral basis in accordance with the agreement on cooperation on the theme "The Elaboration of Methods of Calculating the Vibrations of the Hull of a Ship," for example, has been successfully completed. On the basis of these results the interested organizations of the CEMA member countries and firms of Finland concluded a new agreement on cooperation on a multilateral basis on another three themes in the area of shipbuilding and ship machine building.

In several instances the positive results of scientific and technical research in accordance with the multilateral agreements between the economic organizations of the CEMA member countries and firms of Finland contributed to subsequent commercial and economic cooperation between them on the theme which constitutes the subject of scientific and technical cooperation. Thus, the successful fulfillment of the agreement on scientific and technical cooperation on the Multilift loading and unloading systems led subsequently to commercial deals between the foreign trade organizations of the countries.

A contract for the delivery to the USSR of construction parts and complete settlements for the compressor stations of the Urengoy-Uzhgorod gas pipeline was concluded in conformity with the suggestions, which were elaborated on the basis of the agreement on scientific and technical cooperation on the problem "The Methods of the Designing, the Making of Calculations and the Construction of Pipelines and the Surface Facilities Connected With Them Under the Conditions of Rocky Soils and Swampy Areas."

The completion of the scientific and technical cooperation in the area of the development of the technology of the oxygen-soda method of obtaining paper pulp contributed to the elaboration by organizations of the USSR and Finland of joint suggestions on the production and reciprocal deliveries of machinery and equipment, which are necessary for the organization of the industrial application of this method of cooking paper pulp.

The CEMA member countries and Finland are taking steps on the further development of mutual scientific and technical cooperation, while also using, in particular, the possibilities of the coordination of its themes with the themes of the multilateral cooperation which is being carried out among the CEMA member countries, as well as developing the interaction of cooperation in the area of science with production economics and commercial cooperation. It is impossible not to note that during the 10-year period of effect of the

Agreement Between CEMA and the Republic of Finland the commodity turnover between the CEMA member countries and Finland has increased by nearly sixfold and in 1982 came to 5.5 billion rubles, while the share of the CEMA member countries in the foreign trade turnover of Finland increased to 29.4 percent.

As was noted in the message of greeting of the CEMA Secretariat in address to the Commission for Cooperation of CEMA and Finland in connection with the 10th anniversary of the agreement, "the cooperation of the Republic of Finland and CEMA is developing successfully and is an excellent example of the practical fulfillment of the fundamental provisions of the Final Act of the Helsinki Conference on Security and Cooperation in Europe."

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7807  
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TRADE WITH INDUSTRIALIZED COUNTRIES

BRIEFS

SOVIET GAS TO FINLAND--(TASS)--In Helsinki the meeting of the temporary working group on studying questions of increasing deliveries of Soviet natural gas and extension of the gas pipeline on the territory of Finland. The signed protocol stresses that the All-Union Foreign Trade Association "Soyuzgazeksport" and the "Neste" State Joint Stock Company have reached an understanding on the basic conditions of increasing Soviet natural gas deliveries to Finland. It was noted that this will become an important factor in the growth of Soviet exports and Soviet-Finnish goods turnover in general. At the same time, an agreement was signed between the "Soyuzgazeksport" All-Union Association and the "Neste" Joint Stock Company on the basic conditions of additional deliveries of Soviet natural gas to Finland. Present at the signing of the protocol and agreement were N.K. Baybakov, deputy chairman of the USSR Council of Ministers and chairman of the USSR Gosplan, K. Sorsa, prime minister of Finland and chairman of the Finnish side of the Standing Intergovernmental Soviet-Finnish Commission on Economic Cooperation, ministers of the government of Finland and representatives of the country's business circles. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 84 p 21] 12567

CSO: 1825/84

## TRADE WITH LDC'S

### CEMA, MIDDLE EAST SCIENTIFIC, TECHNICAL COOPERATION EXAMINED

Moscow VESTNIK MOSKOVSKOGO UNIVERSITETA, SERIYA 6: EKONOMIKA in Russian No 6, Nov-Dec 83 (signed to press 16 Nov 83) pp 38-47

[Article by O.Yu. Makarova: "Scientific and Technical Cooperation Between the CEMA Nations and States of the Near and Middle East"]

[Text] In the contemporary phase of the national liberation movement the new states face the task of overcoming their economic and scientific and technological backwardness. This is both an internal and an external struggle. The liberated nations cannot ignore the fact that the effective functioning of the national economy today increasingly depends upon the scope and the nature of its participation in the international division of labor. The importance of the latter is increasing as the scientific and technological revolution develops. Production forces with an adequately high degree of maturity are essential for participating in this process, however. But most of the new states lack adequate economic development. Their scientific and technological potential is in the formative stage, in which the principles of a national strategy in the area of science and technology are just being laid down. The situation is also effected by the fact that the states have far from equal capabilities for the development of scientific research and experimental design work. Five nations (India, Argentina, Brazil, Mexico and the Yemen Arab Republic) account for more than half of the expenditures on scientific research and development.<sup>1</sup>

The technical and technological reequipment of sectors of the economy and the creation of new sectors in the new states are based on the acquisition of foreign machines and equipment, patents and licenses, and the use of foreign specialists. In general, however, the transfer of technology by the developed capitalist nations leads to a new kind of dependency, technological dependency, and has negative consequences for the economies of the liberated states. The imperialist powers develop primarily the labor-intensive and material-consuming industries of those states, as well as the traditional branches of the extractive industry. The scientifically based industries are mainly concentrated in the Western nations. Relationships of inequality and exploitation are thereby constantly reproduced under the world capitalist system of management.

The assistance provided the liberated nations by states of the socialist commonwealth is of a different kind. "As they attempt to overcome their economic backwardness, these nations need international cooperation based on equality and lasting peace," Comrade Yu.V. Andropov, general secretary of the CPSU Central

Committee, stated at the June 1983 Plenum of the CPSU Central Committee. "Many of them regard relations with the socialist nations as a means of consolidating their independence. Naturally, we shall continue to pursue a course of mutually advantageous cooperation with those states, with complete respect for their sovereignty and noninterference in their affairs."<sup>2</sup>

The development of scientific and technological cooperation between the CEMA nations and nations of the Near and Middle East, which became a separate area of foreign economic relations in the 1970's, is a concrete manifestation of the general process of expanding and intensifying ties with the new nations.

Most of the states in that region, which are implementing comprehensive social and economic reforms, are interested in acquiring scientific and technological achievements and receiving other types of scientific and technological assistance on a long-term basis. The conclusion of agreements on economic and social and technological cooperation and the establishment of permanent intergovernmental commissions and committees in accordance with these agreements, is highly important for the shaping of long-range prospects for mutually advantageous ties. Such commissions have been created for the USSR and Syria, Turkey, Iran, Iraq and the People's Democratic Republic of Yemen.<sup>3</sup> Special working subgroups emerge as scientific and technological ties develop within the framework of these commissions. A committee for economic and scientific and technological cooperation was organized in 1978 under an agreement between Czechoslovakia and Iraq, for example. At a committee meeting in 1982 it was decided to establish three working subgroups: for commodity exchange, for economic and industrial cooperation and for scientific and technical cooperation. The working subgroup for scientific and technical ties discussed sending Czechoslovak specialists to Iraq and training national cadres for Iraq at enterprises in Czechoslovakia.<sup>4</sup>

Scientific and technical cooperation between the CEMA nations and states of the Near and Middle East has various organizational forms, which are being gradually altered and improved as ties are expanded in this field. At the present time the most widespread forms are the following: the transfer of know-how in the planning and control of the economy, the providing of engineering and consultation services, the transfer of technology under licensing agreements, the provision of technical assistance in the construction of national economic facilities and complexes, the performance of joint scientific research, assistance in the education and training of cadres, and others.<sup>5</sup>

The transfer of know-how in the field of planning has become an important form of scientific and technical ties between the CEMA nations and states of the Near and Middle East. It is of enormous importance for the proportionate and stable development of their economies and the achievement of economic independence. In most cases the planning organizations of nations in the region lack the essential expertise and turn for assistance to nations in the socialist commonwealth, who have accumulated extensive experience in the area of planning.

Both general agreements on economic and scientific and technical cooperation, and special agreements, which define the principles and directions, provide the foundation for implementing this form of relations. A number of CEMA states

have concluded special agreements with Syria. A working plan for cooperation between the central planning agencies of the GDR and Syria for 1983 and 1984 was signed in 1983 at a meeting of the joint commission on economic and scientific and technical cooperation between the two nations.<sup>6</sup> Agreements in this field exist between Bulgaria and the Syrian Arab Republic, and Czechoslovakia and the Syrian Arab Republic. These agreements ordinarily cover joint work in medium- and long-range planning, the programming of social and economic development, the development of a system of measures for getting the planned assignments to those directly responsible for accomplishing them, the development of economic-mathematical planning methods at the state, regional and branch levels, and the scheduling of regular conferences to facilitate the implementation of these agreements.

The practical transfer of expertise by the CEMA nations in the field of planning is accomplished by sending specialists to states of the Near and Middle East and creating joint planning commissions. At the request of the government of the People's Democratic Republic of Yemen, for example, the USSR sent advisors to that country to assist with the development of basic normative documents and statutes for a five-year plan for the People's Democratic Republic of Yemen for the period 1981-1985. Soviet organizations and specialists are helping with the development of comprehensive branch and territorial development plans for states in the region. For example, long-range programs were worked out for developing the oil and gas industries of Syria and Iraq and for the use of land and water resources of Syria's river basins, and a general ten-year plan for development of the fish industry of the People's Democratic Republic of Yemen.

An agreement on economic and scientific and technical cooperation between the GDR and Iraq calls for the creation of a joint planning commission. Its main functions consist in studying the possibilities of both parties, taking the specific conditions of their development into account, seeking new forms of cooperation and creating the preconditions for coordinating the economic work of the partners by means of planning documents.<sup>8</sup>

In a joint statement at the 11th Special Session of the U.N. General Assembly Bulgaria, Hungary, the Socialist Republic of Vietnam, the GDR, the Mongolian People's Republic, the USSR and Czechoslovakia reaffirmed their readiness to direct their efforts toward expanding relations with the new states in the area of planning during the third decade. The transfer of know-how in this field is not only helping to improve control of the economic processes in nations of the Near and Middle East but, in our opinion, is also one of the most important conditions for strengthening ties between the two groups of states and is opening up new prospects for economic and scientific and technical cooperation.

The providing of engineering consultation services, or engineering (inzhiniring), is the most dynamic and promising form of scientific and technical ties. Engineering is an important element linking scientific research, development and production. This type of services includes engineering survey studies, the collection of technical data, the development of plans, technical and economic feasibility studies and designs, consultations, supervision and the performance of a number of operations during construction and installation, start-up and adjustment work and operation of the equipment and the facility as a whole, and

others. Engineering and consultative services aimed primarily at assuring the optimal use of capital investments in the realization of various technical projects are therefore the subject of engineering. Services of this type are rendered not only during the construction of new facilities, but also during the modernization, reconstruction and expansion of existing facilities. The entire group of services, beginning with the planning and survey work and ending with the completion of an order for a facility ready for operation, may be rendered, or only one or several parts of the group.

The agreement between Technéeksport, a Czechoslovak organization, and Union of Engineering for Chemical Industry, a Syrian company, on the construction of a tire plant ready for operation in the city of Hama in the Syrian Arab Republic is an example of this kind of cooperation. The Czechoslovak side, which is the general contractor, worked out the technical plan and the necessary documentation, performed the main construction and installation work and provided the machinery and equipment. In addition to this, the agreement also calls for the technical job training of servicing personnel with Czechoslovakia's assistance. The tire plant has been turned over to the client after being successfully tested.<sup>9</sup>

In general, the group of engineering-type services are one-time services. It can be renewed with the signing of a new agreement between the states involved. Nations in the region, however, are interested in the long-range transfer of expertise in organizing production, the optimal distribution of facilities, and so forth--that is, the permanent provision of engineering and consultative services. The CEMA nations have begun setting up joint planning, engineering and design bureaus, universal or specialized, for this purpose. Such organizations have been established in Syria with the assistance of the GDR, in Egypt with Poland's assistance, and in Iraq with assistance from the USSR.<sup>10</sup>

The establishment of an international bureau by the CEMA nations may in the future become one of the promising ways of improving the engineering and consultative work. It will consist of engineering organizations of several socialist states interested in performing scientific research and planning and design work and in providing technical assistance in the construction of complex facilities for a specific developing nation on a bilateral basis and taking into account the specialization of states in the socialist commonwealth. The improvement of this form of cooperation is stimulating scientific and technical ties in general and is having a direct effect with respect to increasing reciprocal trade by license.

The transfer of modern technology under licensing agreements not tied to assistance in the construction of various enterprises and facilities, a promising form of scientific and technological cooperation between the CEMA nations and states of the Near and Middle East, is not being adequately employed at the present time. This is due to the fact that the developing states do not always have the capabilities for fulfilling the licenses with their own production and scientific and technical base, and also to the fact that the technical norms, parameters and standards frequently do not coincide. The volume of trade by license will grow as programs for the industrialization and the economic strengthening of states in the Near and Middle East are accomplished. The terms of licensing agreements, whereby the technology can be paid for with goods produced using it, are also contributing to the development of this form of scientific

and technical cooperation. Nations of the region have already been granted a number of licenses by the Soviet Union, Bulgaria, the GDR and Romania, however. For example, Bulgaria has issued Turkey a license for the electrolytic purification of copper, which makes it possible to increase labor productivity by 30-50 percent with an insignificant increase in capital investments and obtain high-quality copper.<sup>11</sup> Cement is produced in Syria, spark plugs in Iraq, and industrial electric furnaces in Iran under license from the GDR.

The exchange of production and economic and scientific and technical information can contribute to an increase in the number of licensing agreements. There are many ways to provide more mutually adequate information and improve the system for transferring it. They include the creation of special technical information offices in states of the region by the CEMA nations, making the information disseminated by chambers of commerce and other economic organizations more effective, stepping up the propaganda and advertising of scientific and technological achievements in the socialist nations, and participation in exhibitions and fairs held in states of the Near and Middle East.

As the national scientific and technical capabilities of nations in the region develop, ties between them and the socialist states are growing closer, and new and more progressive kinds of relations are emerging. Joint participation by specialists of these groups of nations in the work on various scientific and technical problems is the most thorough and effective form. Mainly applied research is performed in the course of scientific and technical cooperation, which contributes to the accomplishment of specific tasks involved in the economic development of the partners. The GDR and Syria created a scientific research group to develop a vaccine for sheep pox. Now, after many years of research and experimental work, this preparation is being mass-produced in monthly volumes of 500,000 doses. This is enough to vaccinate Syria's entire sheep herd each year. More than 15,000 test vaccinations have demonstrated that the new medicine is superior to that previously used, since its pathogenic effects have been eliminated and its immunizing effects have been enhanced.

The national economic importance of this work is fairly great. Syria has 8 million sheep, the largest number of sheep per capita in the Arab world, which provide almost 50 percent of the total milk yield in the nation. Improvement of the veterinary service will help to resolve the problem of providing Syria with food and raw materials.<sup>12</sup>

The geographic location of nations of the Near and Middle East lends a certain specific aspect to their scientific and technical cooperation with the CEMA states. Some of them lie on or near the borders of the latter. Certain historical, economic and political factors and territorial proximity affect the development of relations. They make it possible to jointly accomplish similar economic tasks.

Relations between Bulgaria and Turkey are of interest in this respect. An agreement signed in 1981 by the State Committee for Science and Technical Progress of the People's Republic of Bulgaria and Turkey's Council on Scientific Research provides the basis for scientific and technical cooperation between the two nations. This agreement calls for expanding ties between Bulgarian and Turkish scientific institutes, the joint designing and construction of facilities for

the food industry, shipments to Turkey, and the installation of complete facilities for processing agricultural products. It also covers a program for tea production and for the selection of various varieties of plants, under which Bulgaria has provided Turkey with cuttings from 60 varieties of fruit trees, and Turkey has given Bulgaria seed from various varieties of tomatoes.<sup>13</sup>

In order to create an economic and a scientific and technical capability, as we know, it is first necessary to set up a system for training the population and preparing cadres. "In order to raise industrial and agricultural production...", F. Engels wrote, "it is not enough just to have the mechanical and chemical auxillary means. The capabilities of the people putting these means into action also have to be properly developed."<sup>14</sup>

A significant portion of young people in the total population is a typical procedure of states in the Near and Middle East. In Iraq, Yemen and Syria, for example, the number of children below the age of 14 years exceeds the number of people able to work. The difficult task of training cadres and creating a system of general secondary, specialized vocational and higher education are vitally important to nations of the region with respect to overcoming their backwardness and pursuing an independent economic policy.

There are negative factors affecting the cadre training process in all the developing states, however, including the Arab states. The so-called "brain drain" to the West is causing considerable damage to the economy. At the end of the 1970's 24,000 doctors (23 percent of all the doctors in the region), 17,000 engineers (17 percent of the engineers in those states) and 7,500 specialists in the natural sciences immigrated from nations of the Near and Middle East. The economic loss inflicted upon nations of the region by the "brain drain" amounts to 400 million dollars annually. By the end of the 1970's a total of approximately 4 million skilled specialists had moved abroad. More than 200,000 skilled people have immigrated to Great Britain alone, for example. The Arab specialists working in that nation are divided into two groups: those residing there with permanent visas and those with temporary visas. The number of citizens from states of the region with temporary visas amounted to 9,800 in 1977. The number has now increased to 13,000. A total of 190,000 Arab specialists residing in Great Britain have permanent visas, including 100,000 from Egypt, 11,000 from Jordan and Palestine, 15,000 from Lebanon, 25,000 from Syria, 4,000 from Iraq, and specialists from other states of the region.<sup>15</sup>

This is why the group of developing nations being discussed are taking steps to restrain immigration: increasing the number of jobs, setting up national scientific research centers, creating good conditions for their skilled personnel and increasing wages for certain categories of specialists. Experience has shown, however, that these steps are not adequate for reducing the scale of the "brain drain."

Nations of the socialist commonwealth take a fundamentally different approach for providing assistance in the area of education and training of personnel, the main purpose of which is to help overcome economic and scientific and technical backwardness and accomplish the main tasks involved in the social development of states of the Near and Middle East as rapidly as possible. In addition, the programs of aid in this area also involve other forms of economic and scientific and technical cooperation.

Assistance with the training of personnel is provided in nations of the region (the training of skilled specialists in the process of building industrial and other facilities and the establishment of various types of educational institutions in those states, providing general secondary, technical and vocational, and higher education in those states), and by training specialists in the CEMA nations.

The training of workers by individual contract at construction sites is an effective means of training large numbers of national cadres. A total of 85,000 people have received job training in Iran under this system, 75,000 in the Arab Republic of Yemen, 47,000 in Iraq and 28,000 in Syria.<sup>16</sup>

Training centers set up with assistance from nations of the socialist commonwealth are playing a significant role in the training of national, skilled specialists. A total of 45 training centers have been set up in Egypt with assistance from the Soviet Union, for example, at which more than 11,500 people can train at one time. More than 100,000 skilled workers and middle technical personnel, including around 90,000 specialists for energy and power engineering, have been trained at the training centers during the entire period of cooperation. At the present time graduates of these centers account for 20 percent of the total number of workers in these two branches of the state sector in the Arab Republic of Yemen.<sup>17</sup>

The training of specialists for Syria's petroleum industry is a graphic example of the comprehensive approach in this area of cooperation. Skilled workers are trained at training centers set up with assistance from the USSR, while petroleum engineers and geologists are trained at the higher educational institutions of fraternal nations. The results of this assistance are already apparent. At the first fields at Suweida, Rumelan and Karachok all of the work of setting up the wells, preparing them to be worked and installing the equipment was performed with the assistance of Soviet specialists. Subsequently, at the Jebsa field, Syrian oil-industry workers were able to perform part of the work on their own, and the Alian field was completely prepared for operation by Syrian specialists, including many graduates of educational institutions of the socialist commonwealth nations.<sup>18</sup>

The stipend fund of the Council for Economic Mutual Assistance, which it was decided to create at the 27th CEMA Session, is a promising system for training personnel for the liberated states. This is a qualitatively new kind of co-operation, which unites the efforts of the socialist nations and makes it possible to develop relations on a multilateral basis.

Scientific and technical ties are implemented not just in "pure form," but also in the course of economic cooperation--while providing assistance with the construction of individual enterprises and creating branch and territorial production complexes, for example. States of the socialist commonwealth supply complete equipment systems, perform the technical and economic feasibility studies for the construction, develop the technical plans and provide their know-how in the resolution of production planning and organization matters. Technical and technological documentation and "know-how" are transferred, and skilled personnel are trained in the course of building and operating various

enterprises. The various forms and methods of economic and scientific and technical cooperation are therefore interwoven and supplement each other.

The assistance provided by the CEMA nations to states of the Near and Middle East is playing an ever increasing role in the resolution of pressing socio-economic and scientific and technical problems of the latter and is directed primarily toward the development of the basic industrial branches: oil extraction (Syria and Iraq); oil refining (refineries at Homs and Banas in Syria, Izmir in Turkey and Zarqa in Jordan); ferrous and nonferrous metallurgy (the Esfahan Metallurgical Plant in Iran, the Iskenderun Combine and Aluminum Plant in Turkey); machine building (plants at Arak and Tabriz in Iran and at Iskanderia in Iraq); the construction materials industry (in Syria and Iraq); electric power engineering (the Euphrates GES in Syria, the Aswan GES in Egypt, and thermal electric power plants in Turkey, Iran and the People's Democratic Republic of Yemen), as well as the infrastructure for agriculture (the development of irrigation systems and the organization of state farms in Iraq, Syria and the People's Democratic Republic of Yemen).

The assistance provided by nations of the socialist commonwealth in the development of the main branches in the production sector is contributing to the realization of programs of a number of states in the region for overcoming the monoculture national economy based on the oil and gas industry. In these programs oil and gas are assigned the role of the main source for obtaining means for accumulation and for the financing of economic development, on the one hand, and as a source of raw materials and energy for creating national chemical and petrochemical industries, ferrous and nonferrous metallurgy, a construction materials industry and electric power engineering, on the other. This approach is especially important now, in a situation in which most of the world's nations are taking steps to reduce the portion of oil in their fuel and energy balances, which are having the effect of reducing world prices for oil. This is naturally reducing the currency receipts of the petroleum exporting states of the Near and Middle East and making it necessary to rapidly develop an economy with a diversified structure.

In recent years technical assistance for nations of the region has more and more frequently been rendered through cooperation with economic organizations of the CEMA states. This reflects the existing international specialization of socialist nations within the Council. The GDR, the USSR, Czechoslovakia and Bulgaria are helping to build a cement plant with a capacity of 1.3 million tons per year in Syria, for example. The GDR is the general contractor, Czechoslovakia and the USSR are providing part of the production equipment, and Bulgaria is performing a number of the installation jobs.<sup>19</sup>

One characteristic of the assistance provided by CEMA nations lies in the fact that it is directed primarily toward the strengthening of the state sector. Enterprises built with their assistance in the state sector of nations of the Near and Middle East account for a significant portion of their output, for example: 100 percent of the petroleum extraction and refining in Syria, up to 70 percent of the steel smelted in Egypt and Iran, and 50-70 percent of the electric energy produced in Egypt and Syria.<sup>20</sup>

It must be pointed out that the assistance provided by states of the socialist commonwealth is comprehensive, contributing not just to the construction of individual enterprises but to the development of entire branches. Assistance with the development of a number of interrelated production-technology elements of Syria's petroleum industry is an example of this. The joining of efforts by several socialist nations plays a significant role in the process. For example, the USSR helped develop a program for developing Syria's petroleum industry for the period 1976-1980, and Soviet and Romanian specialists helped with the exploration, the drilling of working wells and the development of oil fields in the Syrian Arab Republic. Large refineries were built and others are under construction with assistance from Czechoslovakia and Romania, which has increased capacities for the refining of raw petroleum. Today, the Syrian Arab Republic is not only meeting its own needs for oil but is also obtaining considerable foreign currency by selling it on the world market (around 70 percent of its income from exports).<sup>21</sup>

The assistance provided by the CEMA nations in the development of a modern material and technical base for states of the Near and Middle East constitutes one of the important prerequisites for the development of their national scientific and technical capability, which includes scientific and production complexes, and for the expansion of their scientific and technical ties.

The growing economic and scientific and technical strength of the socialist world and the progressive principles underlying relations with all states are contributing to the establishment of long-term and mutually advantageous relations between the Arab nations and the Council for Economic Mutual Assistance. In 1975 an agreement was signed between CEMA and the Republic of Iraq. A request by the People's Democratic Republic of Yemen to participate in the work of CEMA agencies as an observer was satisfied at the 33rd meeting of the Council Session in 1979. These agreements supplement bilateral relations and are making it possible to strengthen scientific and technical cooperation between the CEMA nations and states of the Near and Middle East on a bilateral basis.

Scientific and technical cooperation is one of the most dynamic forms of foreign economic relations among the socialist nations and the new, liberated nations. An analysis of the contemporary state of this cooperation makes it possible to define promising directions for mutual relations, while experience will undoubtedly make changes in the process of their development. The substance of these ties and their special nature are of fundamental significance. This trend in the cooperation (bilateral and multilateral) with the CEMA states is having a stabilizing effect on the economies of nations of the Near and Middle East, on the one hand, and, together with internal efforts by the latter, is helping to strengthen their economic and their scientific and technical capability, to develop progressive economic structures in them based on modern equipment and technology, to apply the achievements of science and technology, increase employment and raise the educational and skills level of the work force. In general, all of this is strengthening the national sovereignty, since a reliable foundation is being laid for supporting it. On the other hand, economic and scientific and technical cooperation is becoming an important factor in the shaping of a new kind of division of labor among states with different levels of development and different social systems. This type of division of labor is

an inseparable part of the overall system of international relations, which the liberated nations are struggling to democratize.—Received by the editors on 5 February 1983.

#### FOOTNOTES

1. Calculated from TD/V/S.6/50 [expansion unknown], New York, 1981, p 14.
2. "Materialy Plenuma Tsentral'nogo Komiteta KPSS, 14-15 iyunya 1983 goda" [Materials From the 14-15 June 1983 Plenum of the CPSU Central Committee], Moscow, 1983 p 23.
3. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1983, p 70.
4. CHEKHOSLOVATSKAYA VESHNYAYA TORGOLYTA, No 9, 1982, p 17.
5. "Sotsializm i perestroyka mezhdunarodnykh ekonomiceskikh otnosheniyy" [Socialism and the Restructuring of International Economic Relations], Moscow, 1982, p 210.
6. NEUES DEUTSHLAND, 28 April 1983.
7. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1983, p 70.
8. V.D. Popov, "Ekonomicheskoye sotrudnichestvo stran SEV s razvivayushchimisya gosudarstvami" [Economic Cooperation of the CEMA Nations and the Developing States], Moscow, 1982, pp 102-103.
9. CHEKHOSLOVATSKAYA VNESHNYAYA TORGOLYTA, No 7, 1981, p 45.
10. "Sotrudnichestvo stran-chlenov SEV i Soveta Ekonomicheskoy Vzaimopomoshchi s razvivayushchimisya gosudarstvami" [Cooperation of the CEMA Nations and the Council for Economic Mutual Assistance With the Developing States], Moscow, 1981, p 35.
11. EKONOMICHESKIY BYULLETEN'. AGENSTVO SOFIYA-PRESS, No 11, 1980, p 14.
12. NEUES DEUTSHLAND, 28 August 1981.
13. SOFIYSKIYE NOVOSTI, 21 October 1981.
14. K. Marx and F. Engels, "Soch" [Works], Vol 4, p 335.
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16. "Ekonomicheskoye sotrudnichestvo sotsialisticheskikh i razvivayushchikhsya stran" [Economic Cooperation of the Socialist and Developing Nations], Moscow, 1981, p 156.
17. "Postroyeno pri ekonomicheskem i tekhnicheskem sodeystvii Sovetskogo Soyuza" [Build With Economic and Technical Assistance From the Soviet Union], Moscow, 1982, p 219.
18. "Sotrudnichestvo sotsialisticheskikh i razvivayushchikhsya stran: novyy etap mezhdunarodnykh ekonomiceskikh otnosheniyy" [Cooperation Between the Socialist and the Developing Nations: a New Phase in International Economic Relations], Moscow, 1980, p 36.
19. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 6, 1983, p 76.

20. "Sotrudnichestvo stran-chlenov SEV i Soveta Ekonomicheskoy Vzaimopomoshchi s razvivayushchimisya gosudarstvami," Moscow, 1981, p 20; "Postroyeno pri ekonomicheskem i tekhnicheskem sodeystvii Sovetskogo Soyuza", Moscow, 1982, p 147.

21. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 3, 1983, p 63.

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